



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's material ESG issues</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's material ESG issues</p> <p><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in a company's material ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in a company's material ESG issues</p> <p><input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>		

RI TRANSPARENCY REPORT

2014/15

Federal Finance

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	✓	Public							✓
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	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
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	✓	Public							✓
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	⚡	n/a	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
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	-	n/a	✓						
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	-	n/a	✓						
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	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
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	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
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	✓	Public		✓					
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	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
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	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
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	✓	Private	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
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	✓	Private	✓						
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	-	n/a	✓						
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	-	n/a	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Public		✓					
FI 20	Engagement with government issuers	✓	Public		✓					

Federal Finance

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

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

Other, specify

Execution and advisory services

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

OO 02.1 Select the location of your organisation's headquarters.

France

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

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

FTE

160

OO 03	Mandatory	Descriptive	General
-------	-----------	-------------	---------

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
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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		42	000	000	000
Currency	USD				
Assets in USD		42	000	000	000

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 percentage breakdown
- Publish our asset class mix as broad ranges

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

Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	<10%	0
Other (2), specify	0	0

'Other (1)' specified

OPCVM, UCITS

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.

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 checked="" type="radio"/> 0%
	<input 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.

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.

Federal Finance is the asset management arm of Crédit Mutuel Arkéa, a unique Group committed to its cooperative and mutual ownership structure, formed by the merger of the Brittany, Southwest France and Massif Central Crédit Mutuel federations.

Crédit Mutuel Arkéa's sustainable development is relevant only when viewed in the context of the local and regional economy where it operates. The local economy is the platform for its cooperative and mutualist values, the soil in which its responsible practices are embedded, the framework of its development and community involvement and the purpose of its commitments. Responsible, long-term local development is Crédit Mutuel Arkéa's mission, which it embraces with commitment, openness and daring. Through this combination of "Corporate Social Responsibility" - economic, social and environmental - and "Cooperative and Mutual Responsibility" - citizenship, governance and regional - Crédit Mutuel Arkéa highlights the differences that set it apart, namely that of responsible and long-term local and regional development.

Socially responsible development is based on social and environmental convictions and respect for people, shared and conveyed by all components of Crédit Mutuel Arkéa.

Federal Finance, the asset management arm of Crédit Mutuel Arkéa, has been a pioneer in socially responsible investing (SRI) since 2000, first with the creation of the Federal Actions Ethiques (SRI investments) fund and later followed by the Federal Europe ISR and Planète Bleue funds. The company proves that community involvement and respect for fellow humans and the environment go hand in hand with investment profitability and performance.

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.

- 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.

- Fixed income – corporate
- Fixed income – government
- Infrastructure
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

OPCVM, UCITS

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.

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

Federal Finance

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.

- Yes
 No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- 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]

Our Responsible Investment Policy relies on 3 pillars :

1. Responsibility : we are committed to Global Compact principles. Regarding our investments, we require issuers to respect these principles. We exclude from our investment universe issuers which cannot comply with these minimum rules. This is the case for our SRI range of funds. It will also be progressively implemented throughout all our investments. In addition, as shareholders, we are particularly involved and participate actively in voting processes for Annual Meetings
2. Performance : our investment choices are led by the will to optimize risk / performance ratio. We are convinced that environmental, social and governance issues have an impact on our investments. This is why we develop an internal expertise to measure and assess those impacts. When some risk or opportunity factors can be detected, we include them in our analysis process.
3. Transparency : we are committed to provide a high level of transparency in our investment management activities. We particularly monitor our communication regarding the implementation of this responsible investment policy. SRI funds will also adopt best practices in terms of transparency, financial and extra financial reporting.

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

- Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

http://www.federal-finance.fr/federalfinance/servlet/loadfile/pdf/Divers/politique_investissement_responsable.pdf

No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

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.

Policy or document name	URL
Transparency Code	http://www.federal-finance.fr/federalfinance/servlet/loadfile/pdf/Divers/code_federal_conviction_isr_euro.pdf
Voting Policy	http://www.federal-finance.fr/federalfinance/servlet/loadfile/pdf/Divers/politiquedevote2014.pdf
Voting Annual Report	http://www.federal-finance.fr/federalfinance/servlet/loadfile/pdf/Divers/bilandevote2013.pdf

No

OA 02.5 Additional information. [Optional]

We disclose a Transparency Code for each SRI fund. We reported a sample in the link above.

OA 03 **Mandatory** **Core Assessed** **PRI 1,2**

OA 03.1 Indicate the components/types and coverage of your responsible investment policy and guidance documents.

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 type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input checked="" type="checkbox"/> Other, specify Transparency code for each fund <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

OA 03.2	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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In 2014, we have implemented an engagement policy for our assets under management. This new activity is linked to our involvement of improving our implementation of the Principles. By the way, we are convinced that engaging with companies is part of our responsibility as a responsible asset manager.

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

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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As requested by the regulation, (articles 313-18 to 313-22 of the Règlement Général de l'AMF) Federal Finance set up a policy to identify, prevent and manage potential conflicts of interest for its activities to ensure protection and primacy of the clients' interests.

We first define conflict of interest as any professional situation where the ability to appreciate or decide of a person, company or organisation can be influenced or altered, in its independence or integrity, by personal considerations or power of persuasion from a third party.

As requested by the regulation :

Federal Finance defines a management of conflicts of interest policy

Federal Finance detects situations of conflicts of interest

Federal Finance keeps a record of the situations of conflicts of interest detected

Federal Finance informs its customers when conflicts of interest remains unsolved

1. Identification of conflicts of interest : different situations may occur :

Conflicts involving various clients : The company might favour a specific client over the others

Conflicts involving Federal Finance and its clients : The company might favour its own interest over the clients' interests

Conflicts involving Federal Finance employees and clients : Employees might act without taking into account the clients' interest and might favour their own interest over those of clients

This classification is revised periodically by the Head of Compliance

The identification of these potential conflicts of interest allows Federal Finance to implement prevention measures in order to avoid them.

2. Prevention of the conflicts of interest

Existence of a Code of Conduct, Rules of Procedure determining employees obligations

Monitoring of transactions on the accounts of the employees involved in activities subject to potential conflicts of interest

Third party trading policy (including counterparties selection)

Segregation of the market activities (including proprietary trading vs. third party trading)

Segregation of commercial, investment management and control functions

Remuneration of the fund managers appointed or designated to avoid incorrect behavior towards clients' interests

Strict rules and processes regarding order treatment, primarily to favour client's interest

Internal committees (brokers, counterparties, risks)

Compliance officer directly reporting to top management

Institutional segregation of proprietary trading (Credit Mutuel Arkea) and third-party trading

Segregation of the negotiation, control and validation functions

Segregations of functions regarding mandates : Commercial functions remains to business providers, financial operations remains to the asset management company

Systematic Automatic timestamping and pre-allocation

Formalized governance rules

Code of Conduct, Rules of Procedure for employees

Independent and unexpected controls from Head of Compliance

3. Management of conflicts of interest

Federal Finance initiates a management process for conflicts of interest based on transparency, in the case the previously mentioned scheme was not able to guarantee that potential conflict would not affect clients' interest.

The Head of Compliance is able to manage any reported conflict of interest. Top management and him would analyse the nature, causes and consequences of this conflict of interest and take urgent and appropriate actions to limit immediate consequences. Federal Finance would inform the client if appropriate, in a transparent and detailed way regarding the nature, causes and consequences of this conflict before acting on his behalf. Informed and with full knowledge of the facts, the client would take a wise decision regarding the investment service provision.

All elements are recorded and kept in conformity with current procedures.

Any complimentary information regarding this policy can be obtained by writing to Federal Finance, Compliance Department.

No

Objectives and strategies

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

OA 05.2	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 07

Voluntary

Descriptive

General

OA 07.1

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Federal Finance Gestion and Federal Finance are managed by Christian Cadiou, Chairman of the Supervisory Boards and Stéphane Müller, Chairman of the Executive Boards. The Executive Boards are responsible for operational management of the business, while the Supervisory Boards, composed of Crédit Mutuel Directors, guide the companies' strategies and policies and supervise the application of management and control processes.

Federal Finance Gestion has developed its own ranking system. The SRI analyst's team is totally integrated to the credit analyst's team and to fund management team. This organization aims to integrate our responsible investment policy to our fund management processes. Our SRI and Credit Analysts' team is managed by Mr Sylvain Sérandour. The CIO, Mr Maingain was himself a pioneer, as the first SRI fund manager in Federal Finance Gestion.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

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 Credit & SRI Analysis**
 - 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
- Other role, specify
- Other role, specify

OA 08.2

Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

3

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

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.

Select all that apply

- Principles for Responsible Investment

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

- Basic
 Moderate
 Advanced
- 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

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

- Basic
 Moderate
 Advanced
- 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)
- 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, Eurosif

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
AFG SRI working group

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]

Participation to the redaction of position paper regarding SRI.

- Other collaborative organisation/initiative, specify
- 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 12	Voluntary	Additional Assessed	PRI 4,5,6
--------------	------------------	----------------------------	------------------

OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.
----------------	---

- Yes
 - Yes, individually
 - Yes, in collaboration with others

OA 12.2	Select the methods you have used.
----------------	-----------------------------------

- Endorsed written submissions to governments, regulators or standard-setters developed by others
- Drafted your own written submissions to governments, regulators or standard-setters
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

OA 12.3

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available
- No
- No

ESG issues in asset allocation

OA 13

Voluntary

Descriptive

PRI 1

OA 13.1

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

- Yes
- No

Innovation

OA 18

Voluntary

Descriptive

General

OA 18.1

Indicate whether any specific features of your approach to responsible investment are particularly innovative.

- Yes

OA 18.2

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

Federal Finance has developed an in-house methodology dedicated to French small and mid caps ESG analysis. This methodology is used by Federal Finance since 2005.

A multi-skills expertise is required to analyze this particular asset class. It's thanks to a great innovation culture that Federal Finance developed this model. We are convinced that having an ESG approach towards this asset class is key to better returns. These kinds of companies are not covered by extra financial research agency, so we benefit from an additional information useful on financials markets.

- No

Federal Finance

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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Overview

LEI 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

PRI 1

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

% of internally managed listed equities

<10%

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

Yes

No

10-50%

>50%

Active – quantitative (quant)

% of internally managed listed equities

<10%

10-50%

>50%

Active – fundamental and other active strategies

% of internally managed listed equities

<10%

10-50%

>50%

LEI 02

Voluntary

Descriptive

PRI 1

LEI 02.1

Provide a brief overview of how you incorporate ESG issues into listed equity investments.

We have an in-house best in class research covering the whole investment universe. This positive screening enables managers to invest in most advanced companies towards CSR approach. Conversely, companies having a low SRI rating can't be invested. We also provide this research to mainstream managers to empower them to include ESG rating into their investment process. Please note that SRI fund managers also manage mainstream portfolios. As a consequence, they are totally aware of the ESG quality of their positions. To note: ESG ratings are available on front office tools (Omega).

ESG incorporation in actively managed listed equities


Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
--------	-----------	-----------------------	-------


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)

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 20
--	--

- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 80
--	--

- Thematic + integration strategies
- Screening + thematic strategies
- 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 have a best in class strategy in ESG incorporation. We want our SRI funds to invest in companies with the best ESG practices regarding their ESG issues. Our non SRI funds benefit of our in-house ESG research process which is disclosed to all assets managers. This positive approach is adapted to the institutional investors needs and requirements. Secondly, this approach enables us to invest with a limited bias in terms of sector or geographical scope

LEI 03.3

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

Our SRI funds are managed with a positive screening represented by a best in class approach. Our integration strategy is to disclose ESG rating to all managers. The proxy voting policy is ESG oriented and includes every fund (SRI and mainstream). All funds are concerned by our engagement policy.

LEI 03.4

Additional information. [Optional]

Thanks to the optimization of our UCITS range operated in 2014, we have increased the amount of asset under SRI management, that's to say that 80% of our Equity funds are nowadays SRI funds. The other 20% are mainstream funds managed with ESG informations.

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

Indicate who provides this information

- ESG research provider
 Sell-side
 In-house – specialised ESG analyst or team
 In-house – analyst or portfolio manager

- 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

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- 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.
-----------------	---

Federal Finance has developed an in-house best in class research covering the whole investment universe. The data mining is realized by two ESG research providers and the dedicated analysts' team. Federal Finance broker's produce ESG research that can be included in sector-related analysis and to determine ESG issues in each sector of analysis. Portfolio managers are also part of the determination of sector's ESG issues

Federal Finance also has 2 screened stock lists. The first is an exclusion list of companies involved in clusters mines and landmines. Federal Finance received it from an ESG provider. The second is an intern list of companies in risk of breaching Global compact principles.

When relevant, the ESG analysts' team looks into some ESG issues-specific analysis. For example, in 2014, Federal Finance produced a study on excessive fiscal optimization.

LEI 04.3	Indicate if you incentivise brokers to provide ESG research.
-----------------	--

Yes

LEI 04.4	Describe how you incentivise brokers.
-----------------	---------------------------------------

SRI team is part of the broker review. ESG issues have the same voting weight than a financial sector. A qualitative SRI feedback is given to brokers

No

LEI 05	Voluntary	Additional Assessed	PRI 1
---------------	------------------	----------------------------	--------------

LEI 05.1	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.
-----------------	---

- 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.

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
---------------	------------------	--------------------	--------------

LEI 06.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
-----------------	--

Type of screening

- Negative/exclusionary screening

Screened by

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

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

We exclude all companies involved in landmines and cluster bombs.

- Positive/best-in-class screening

Screened by

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

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

We have a best in class strategy. For each sector we assess the performance of every companies in the 3 pillars : Environment, Social, Corporate governance. We rank them with the aim to identify companies with the best practices on each pillar. Then we compute a SRI score derived from each ESG score, with a various poderation depending on the sector ESG issue.

- Norms-based screening

Screened by

- UN Global Compact Principles
- Universal Declaration of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

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

We have identified a list of companies that don't give us the assurance that they strictly respect the UN Global Compact rules. The assessment is in the first part quantitative and then we analyse the short list to discriminate the worst performers.

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 screening criteria are established by our ESG team. They select criteria for each sector in accordance with the sector's ESG issues. Criteria are reviewed on an annual basis. Clients are notified through our Transparency code.

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.
-----------------	--

If breaches are identified, fund managers receive an alert. They have to sell the companies no more eligible to a SRI fund.

(C) Implementation: Integration of ESG issues			
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LEI 11	Mandatory	Core Assessed	PRI 1
---------------	------------------	----------------------	--------------

LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
-----------------	---

ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" 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 type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" 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 type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input checked="" 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
--------	-----------	---------------------	-------

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 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
 - Systematically
 - Occasionally
- Portfolio construction
- Fair value/fundamental analysis
- Other, specify

Communication

LEI 18

Mandatory

Core Assessed

PRI 2,6

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.federal-finance.fr/federalfinance/servlet/loadfile/pdf/Divers/politique_investissement_responsable.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

Federal Finance

Reported Information

Public version

Direct - Listed Equity Active Ownership

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Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 01.1 Provide a brief overview of your organisation's approach to engagement.

The objective of our engagement policy is to engage in a constructive dialogue with companies with non-financial rating below the industry average. This engagement should encourage them to adopt responsible policies and behavior with regard to their extra-financial issues poorly or not addressed. The aim is also to encourage companies to consider their negative non-financial impacts in order to reduce the risk exposure of our investments, and ultimately funds held by our clients. The engagement will focus on issues having financial materiality, an impact on the share price and the stakeholders.

LEA 02	Mandatory	Gateway	PRI 1,2,3
--------	-----------	---------	-----------

LEA 02.1 Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<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
Collaborative engagements	<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
Service provider engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 03.1 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.

We engage with companies that are invested by our SRI funds and have a non-financial rating lower than the average for their peers. In our scoring system, these companies are rated D on a scale from A to E (A being the best, E the worst). These companies should represent a significant investment in terms of assets managed by Federal Finance Management.

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.

Before engaging, we set up targets. If the company commits to reach them we validate the first step of our engagement process. Next, we assess whether the company really did.

It's also possible that we engage in order to have more ESG informations. In that case, it is easy to evaluate the impact of our engagement.

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

LEA 05.2 Describe how you identify and prioritise collaborative engagements.

We receive alerts from collaborative engagement platform. When relevant, we take part to collaborative engagement, especially when the topics proposed are in line with our values.

No

LEA 06	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

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

No

General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2
--------	-----------	---------------------	---------

LEA 09.1 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

LEA 10.1	Indicate if you track the number of engagements your organisation participates in.
----------	--

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 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

Outputs and outcomes

LEA 11.1	Indicate the number of companies with which your organisation engaged during the reporting year.
----------	--

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	5
Collaborative engagements	17

LEA 11.2	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]
----------	---

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None

LEA 11.3 Indicate what percentage of your collaborative engagements you were a leading organisation on during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> None

LEA 12 Voluntary Additional Assessed PRI 2

LEA 12.1 Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

LEA 12.2 Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Overlapping ESG issues

100

100%

Collaborative engagements

% Environmental only

100

100%

LEA 14	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 14.1 Provide examples of the engagements that your organisation carried out during the reporting year.

Add Example 1

Topic or ESG issue	Board composition, remuneration system including long term incentives, environmental policy regarding private brand, scope of collective agreement
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	The aim of this engagement process was to obtain improvement in this company's behavior on the topics mentioned above.
Scope and Process	We had a conference call with the IR and they formally answered to our questions by e-mail.
Outcomes	<p>We left the company time to implement new process. It is now eligible for the SRI funds universe.</p> <p>We continued to talk with this company, which has been very receptive to our approach and wishes to continue to progress in the extra financial field.</p>

Add Example 2

Topic or ESG issue	Procedure and monitoring to avoid corruption and money laundering, topics that are subject to recurrent controversies
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Avoiding recurrent controversies and penalty
Scope and Process	We send an e-mail to the IR.
Outcomes	We didn't receive any answer from the company and proceeded to its divestment. This company is no longer eligible to our SRI funds (blacklisted).

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA 15.1

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

provide URL

http://www.federal-finance.fr/federalfinance/servlet/loadfile/pdf/Divers/politique_engagement_isr.pdf

provide URL

http://www.federal-finance.fr/federalfinance/servlet/loadfile/pdf/Divers/cr_engagement2014.pdf

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

Yes

LEA 15.3 Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

- 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.

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- 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.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

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).

Our voting policy is disclosed publicly on our website. We vote in order to defend the long term interests of minority shareholders.

Occasionally, we co-file shareholder resolutions if the aim is to improve the company's behaviour regarding ESG issues.

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

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain
- 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.
- We hire service provider(s) which make voting decisions on our behalf.

LEA 19	Voluntary	Descriptive	PRI 2
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LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.
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- Obtain confirmation that votes have been received by the company:
- Participate in projects to improve the voting trail and/or to obtain vote confirmation
- None of the above

LEA 20	Voluntary	Additional Assessed	PRI 2
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LEA 20.1	Indicate if your organisation has a securities lending programme.
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- Yes
- No

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	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.
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- 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

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	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.
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- We do track or collect this information

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

	%
--	---

77

	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
- 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.
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- 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:
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Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 75
Against (opposing) management recommendations	 0.25
Abstentions	 0

100%

No, we do not track this information

LEA 24	Voluntary	Descriptive	PRI 2
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LEA 24.1	Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.		
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Yes

No

LEA 25	Voluntary	Descriptive	PRI 2
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LEA 25.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.		
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Add Example 1

Topic or ESG issue	Issuance of equity without preemptive rights
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Vote against this kind of issuance
Scope and Process	full scope
Outcomes	33% of negative votes related to this topic

Add Example 2

Topic or ESG issue	Elect Director
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Homogeneous board with independant members
Scope and Process	full scope
Outcomes	10% of negatives votes related to this topic

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

Communication

LEA 26

Mandatory

Core Assessed

PRI 2,6

LEA 26.1

Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly

provide URL

<http://www.federal-finance.fr/federalfinance/servlet/loadfile/pdf/Divers/politiquedevote2014.pdf>

LEA 26.2

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

- Yes

LEA 26.3

Indicate the voting information your organisation proactively discloses to the public and/or 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 26.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

Federal Finance

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.

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.

Fixed Income - Corporate

We have an in-house best in class research covering the whole investment universe. This positive screening enables managers to invest in most advanced companies towards CSR approach. Conversely, companies having a low SRI rating can't be invested. We also provide this research to mainstream managers to make them able to include ESG rating into their investment process. Please note that SRI fund managers also manage mainstream portfolios. As a consequence, they are totally aware of the ESG quality of their positions.

Fixed Income - Government

We have an in-house best in class research covering the whole investment universe. We have adapted our ESG analysis criteria to states CSR issues. This positive screening enables managers to invest in most advanced states towards CSR approach. Conversely, states having a low SRI rating can't be invested. We also provide this research to mainstream managers to make them able to include ESG rating into their investment process. Please note that SRI fund managers also manage mainstream portfolios. As a consequence, they are totally aware of the ESG quality of their positions.

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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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)

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	 80
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Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	 20
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- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2 Describe your primary reasons for choosing a particular incorporation strategy.

We have a best in class strategy in ESG incorporation. We want our SRI funds to invest in companies or states with the best ESG practices regarding their ESG issues. Our non SRI funds benefit of our in-house ESG research process which is disclosed to all assets managers. This positive approach is adapted to the institutional investors needs and requirements. Secondly, this approach enables us to invest with a limited bias in terms of sector or geographical scope.

(A) Implementation: Screening

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

Type of screening

- Negative/exclusionary screening
- Positive/best-in-class screening

Screened by

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

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

We have a best in class strategy. For each sector we assess the performance of every companies in the 3 pillars : Environment, Social, Corporate governance. We rank them with the aim to identify companies with the best practices on each pillar. Then we compute a SRI score derived from each ESG score, with a various ponderation depending on the sector ESG issue.

- Norms-based screening

Screened by

- UN Global Compact Principles
- Universal Declaration of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

	Description
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We have identified a list of companies that don't give us the assurance that they strictly respect the UN Global Compact rules. The assessment is in the first part quantitative and then we analyse the short list to discriminate the worst performers.

FI 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.
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The screening criteria are established by our ESG team. They select criteria for each sector in accordance with the sector's ESG issues. Criteria are reviewed on an annual basis. Clients are notified through our Transparency code.

FI 07	Mandatory	Core Assessed	PRI 1
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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

(C) Implementation: Integration of ESG factors

FI 10

Voluntary

Descriptive

PRI 1

FI 10.1

Describe how you integrate ESG issues into investment decision-making processes.

We have a in-house best in class research covering the whole investment universe. This positive screening enables managers to invest in most advanced companies towards CSR approach. Conversely, companies having a low SRI rating can't be invested. We also provide this research to mainstream managers to make them able to include ESG rating into their investment process. Please note that SRI fund managers also manage mainstream portfolios. As a consequence, they are totally aware of the ESG quality of their positions.

FI 11

Mandatory

Core Assessed

PRI 1

FI 11.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" 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 type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" 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 type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input checked="" 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

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.
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Yes

FI 13.2	Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.
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- <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.
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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

No

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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FI 18.1 Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

We disclose it publicly

Provide URL

http://www.federal-finance.fr/federalfinance/servlet/loadfile/pdf/Divers/politique_investissement_responsable.pdf

FI 18.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

FI 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

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

Engagement in fixed income investments**Fixed Income - Corporate**

FI 19	Voluntary	Descriptive	PRI 2
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FI 19.1

Indicate if you engage with corporate issuers.

- Yes

FI 19.2

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

We engage with companies that are invested by our SRI funds and have a non-financial rating lower than the average for their peers. In our scoring system, these are companies rated D on a scale from A to E (A being the best, E the worst). These companies should represent a significant investment in terms of assets managed by Federal Finance Management.

- 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