



LEA 02	Disclosures Monetary	Reason Gateway	Principle PRI 1,2,3
<p><b>Type of engagement</b> Individual/ internal staff engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> <li><input type="checkbox"/> We do not engage via internal staff</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> <li><input type="checkbox"/> We do not engage via collaborative engagements</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> <li><input type="checkbox"/> We do not engage via service provider engagements</li> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company related ESG issues</li> <li><input type="checkbox"/> To influence corporate practice or identify the need for additional or other specific</li> </ul>		
<p><b>Type of engagement</b> Collaborative engagements</p>			
<p><b>Type of engagement</b> Service provider engagements</p>			

# RI TRANSPARENCY REPORT

## 2014/15

Financière de l'Echiquier

## 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	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
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	✓	Private							✓
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	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
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	✓	Private	✓						
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	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
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	✓	Private		✓					
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	🔒	n/a		✓					
LEA 06	Objectives for engagement activities	🔒	n/a		✓					
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	✓	Private	✓	✓					
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	✓	Private		✓					
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	✓	Private		✓					
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	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

# Financière de l'Echiquier

## Reported Information

## Public version

## Organisational Overview

### 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.

## Basic Information

OO 01	Mandatory	Gateway/Peering	General
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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
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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

95

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		7	800	000	000
Currency	EUR				
Assets in USD		10	229	631	170

**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	>50%	<10%
Fixed income – corporate	10-50%	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	<10%	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)

### 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
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- 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
- Cash
- 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.

*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

**Closing module**

- Closing module

# Financière de l'Echiquier

## Reported Information

## Public version

## Overarching Approach

### PRI disclaimer

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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]

As stock pickers, we believe that analyzing ESG criteria enables us to build a better appraisal of companies and hence a better assessment of the inherent risk of our investments. After seven years of experience acquired in the course of over four hundred ESG interviews with companies, we are convinced that taking into account financial information as well as non-financial information enhances our knowledge of companies and provides better investment outcomes.

**Two separated approaches are followed in our responsible investment policy:**

- ESG integration across all our fund range invested in European Equities
- SRI funds (socially responsible investment funds) for 2 specific funds, namely Echiquier Major and Echiquier ISR

**ESG integration**

ESG integration relates to the consideration of ESG issues alongside traditional financial measures, based on the belief that ESG issues can affect the performance (risk and/or return) of investment portfolios.

Financière de l'Echiquier has implemented a responsible investment policy based upon the following principles:

**1. Engage companies on ESG issues:**

We believe that a direct dialogue with companies makes a great difference. Our goal is to have a comprehensive understanding of the capacity and track record of companies to manage key sustainability issues. SRI meetings enable us to gather additional information on companies' corporate social responsibility practices. It is also part of our commitment to foster greater consideration of ESG risks by listed companies.

Before meeting companies

To prepare our ESG-dedicated interviews with top management, we go through publicly available information (annual report, sustainability report, company website, etc.). Our research also includes reports by NGOs, brokers and other types of organizations on specific topics that may arise in meetings. This multiple-sources approach is essential to identify the most significant issues that companies will have to tackle. We also take the quality of ESG research into account when it comes to select the brokers we would like to work with.

Meeting and follow up

We meet companies during one-on-one dedicated sustainability meetings. We meet with a wide range of people working in the sustainability field, particularly with human resources directors, heads of sustainability and investor relations. During our meetings, we highlight what we believe to be the most important extra-financial risks the company is facing, and try to gain a better understanding on how the company intends to manage them. Often, these face-to-face (or over-the-phone) encounters enable us to collect quantitative data and examples that were not disclosed in their annual report but demonstrate their commitment to sustainability.

We monitor and document all our meetings with companies. This enables us to assess where every company stands in comparison with its peers on an ongoing basis.

## **2. Involve the entire investment team:**

The presence of fund managers and analysts who drew up the investment case is systematically required during our SRI meetings as they have great insight into the company's history. This enables us to read between the lines and better assess the non-financial information presented to us.

The SRI interview process ends with the preparation of a brief summary on the most important topics raised during the interview that is sent to the whole investment team. We monitor and document each and every meeting in our database which the entire investment team has access to.

## **3. Assess company performance against ESG criteria and assign an ESG score:**

FDE assesses company performance against six financial and non-financial criteria. Two of them are related to non-financial topics, namely management quality, and social and environmental responsibility. Given that all criteria are not equally weighted, these two criteria, which together make up the company's ESG score, account for 40% of a company's overall rating. The remaining 60% is made up of the remaining four financial criteria.

The two ESG indicators are made up of 14 sub-criteria. The overall ESG score is reviewed every two years for companies in our SRI funds and at least once every four years for those in other funds.

A very poor governance rating is a factor of exclusion. However, we do not apply any sector-based exclusion - apart from the financing of companies with involvement in cluster bombs and anti-personnel landmines.

## **4. Encourage companies to progress on sustainability issues:**

We introduced a new initiative in 2013. We are now paying specific attention to the improvement companies are making on sustainability issues. Indeed, we particularly appreciate companies that commit to ameliorate year after year.

Our first interview is crucial in understanding the specific issues companies face. After meeting with a company, we contact it again to define together two to three indicators we would like them to progress on. Every two years, we then conduct follow-up meetings to track their progress against the targets set two years before.

We aim to define realistic, measurable and controllable targets. They are always made in writing and shared with companies.

## **5. Vote at general meetings:**

Financière de l'Echiquier's active ownership policy is based on the following principles:

When portfolio managers at Financière de l'Echiquier invest in listed securities, it is because they trust the management teams and agree with the strategy set by them. The management company invests in companies that create value for their shareholders. Consequently, there is no fundamental reason to disagree with management on the resolutions for which they request approval by shareholders at general meetings.

Yet, Financière de l'Echiquier carefully studies all resolutions that may go against the company's interests or those of the minority shareholders, and we are particularly vigilant on the four following points:

Share issues without preferential subscription rights for existing shareholders;

Capital increases in the case of a takeover bid and all other antitakeover measures;

Issues of share subscription warrants or any other warrants opening access to the capital to the exclusive benefit of a category of shareholders (employees, for example), thus leading to a dilution of the other shareholders;

Approval of related-party transactions, if their content is contrary to the rules of good governance or is not easily accessible.

Consequently, in these particular cases concerning the defense of minority shareholders, who indirectly hold shares through Financière de l'Echiquier mutual funds, we reserve the right to vote against such resolutions or to abstain. The voting perimeter defined by the voting policy is determined by a threshold of 1% of the capital or voting rights. However we generally vote if we own less than 1% of the total number of attending shares. We often participate in the AGMs (we do it systematically if we own more than 5%). For more information on our voting policy, please refer to our corporate website ([www.fin-echiquier.fr](http://www.fin-echiquier.fr)).

## **SRI funds**

SRI funds relate to the consideration of ESG issues alongside traditional financial measures, based on the belief that ESG issues can affect company performance and to the selection of highly rated companies on ESG criteria. In our SRI funds, we select "best-in-class" companies as well as "best-efforts" companies.

The main differences with the other funds having implemented an ESG integration strategy is the following:

- Only companies that obtained a high ESG score are eligible to those funds (6 out of 10)
- Only "best-in-universe" companies (i.e. companies that have the best ESG performance within their sector) and "best-efforts" companies (i.e. companies that have done the most progress relatively to its peers) are selected within those 2 funds
- We commit to rate 100% of the companies selected in those portfolios

- We commit to divest if the company obtains a lower rating (below 6/10) after the follow-up SRI interview
- SRI interviews are conducted more regularly (every two years) for companies selected in those portfolios
- We commit to vote systematically

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.fin-echiquier.fr/en/the-company/responsible-investment/>

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
Voting policy	<a href="http://www.fin-echiquier.fr/wp-content/uploads/2015/03/Politique-de-vote-FDE_2015.pdf">http://www.fin-echiquier.fr/wp-content/uploads/2015/03/Politique-de-vote-FDE_2015.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.

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 checked="" 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

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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FDE has a written conflicts of interest policy identifying circumstances that may give rise to potential conflicts and specifying the procedures adopted by FDE to manage those conflicts.

The policy document lists the types of conflicts that may arise including situations where the firm:

- May make a financial gain (or avoid a financial loss) at the expense of a client;
- Has an interest distinct from the client's in a service provided for the client;
- Has a financial or other incentive to favour one client's interest over another client's interest; or
- Receives an inducement from a person other than the client for a service provided for the client.

The policy also covers personal account dealing.

FDE's arrangements to manage conflicts of interest and to prevent any material risks of damaging a client's interests include:

- A strict order execution policy
- A ban for employees to invest directly in company shares and bonds
- Regular compliance and internal control audits
- A ban on speculative investment
- No clients or third parties holding FDE shares (only employees)
- A gift policy
- An independent review of business partners and a bi-annual policy update

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.

Yes

**OA 05.2**

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- 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  
 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  
    Company chairman

- 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

<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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2

## 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)

- 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)

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

- Basic
- Moderate
- Advanced
- 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)

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

- Basic
- Moderate
- Advanced

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

Signature of the Montreal carbon pledge

- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- 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

# Financière de l'Echiquier

## 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.

## 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%)	 <p>100</p>
--	--

- 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.

See OA 01.

### (A) Implementation: Screening

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

Certain activities are excluded: cluster bombs, landmines and tobacco.

Positive/best-in-class screening

**Screened by**

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

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

Screening criteria are identified for each investable sector. Fund managers then pick the best ESG performing companies they want to invest in each sector.

Norms-based screening

<b>LEI 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.
-----------------	---

Certain activities are excluded: cluster bombs, landmines and tobacco. Screening criteria are identified by sector and reviewed annually by our internal SRI team.

<b>LEI 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**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

**(C) Implementation: Integration of ESG issues**

**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.

<b>ESG issues</b>	<b>Coverage/extent of review on these issues</b>
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

**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.fin-echiquier.fr/en/the-company/responsible-investment/>

**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

# Financière de l'Echiquier

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

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.
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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 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 checked="" type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input 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 checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

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

**LEA 03.2**

Describe how you identify and prioritise engagements.

See OA1

 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.

See OA1

 No**General processes for all three groups of engagers****LEA 10****Mandatory****Gateway/Core Assessed****PRI 2****LEA 10.1**

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

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<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

**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.

- We disclose it publicly
- 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**

**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.

**Based primarily on**

- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- 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 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

## 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.
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- We do track or collect this information

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

	%
--	---

64

	Specify the basis on which this percentage is calculated
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- 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

<b>LEA 22.2</b>	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]
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Voting rights will always be exercised if Financière de l'Echiquier, through the funds that it manages, holds more than 1% of a company's capital or voting rights.

Financière de l'Echiquier chose this threshold for two main reasons:

It feels that below this level the management company does not hold a significant, influential share of the voting rights.

And with regard to the practices of the listed companies that the management company has been able to observe, Financière de l'Echiquier believes that this threshold is consistent with the one that many listed companies have officially adopted to have an in-depth knowledge of their shareholders.

In the specific case of Echiquier Major, a fund awarded the French Novethic SRI Label[1] in 2014, we vote systematically regardless of the percentage holding.

[1] The Novethic SRI Label is awarded to Socially Responsible Investment funds whose management systematically takes environmental, social and governance (ESG) criteria into account. It reflects the impact of ESG analysis on portfolio composition. For more information please visit [www.novethic.fr](http://www.novethic.fr)

We do not track or collect this information

## 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.

We disclose it publicly

provide URL

<http://www.fin-echiquier.fr/wp-content/uploads/2015/03/VotingPolicy.pdf>

provide URL

<http://www.fin-echiquier.fr/wp-content/uploads/2015/03/AnnualReport.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
- We disclose it to clients/beneficiaries only
  - We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries