



LEA 02	Disclosures Monetary	Reason for Interaction	Principle PRI 1,2,3
Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify	<input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	
Collaborative engagements	<input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	<input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	
Service provider engagements	<input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	<input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	

RI TRANSPARENCY REPORT

2014/15

METROPOLE Gestion

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	-	n/a							✓
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	-	n/a							✓
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	✓	Public	✓						
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	-	n/a							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

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	🔒	n/a	✓						
LEI 11	Review ESG issues while researching companies/sectors	🔒	n/a	✓						
LEI 12	Processes to ensure integration is based on robust analysis	🔒	n/a	✓						
LEI 13	Aspects of analysis ESG information is integrated into	🔒	n/a	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
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	🔒	n/a		✓					
LEA 02	Reasoning for interaction on ESG issues	🔒	n/a	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 04	Objectives for engagement activities	🔒	n/a		✓					
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	🔒	n/a	✓	✓					
LEA 10	Tracking number of engagements	🔒	n/a		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	🔒	n/a		✓					
LEA 12	Engagements on E, S and/or G issues	🔒	n/a		✓					
LEA 13	Companies changing practices / behaviour following engagement	🔒	n/a		✓					
LEA 14	Examples of ESG engagements	🔒	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	🔒	n/a		✓				✓	
LEA 16	Description of approach to (proxy) voting	-	n/a		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	-	n/a		✓					
LEA 20	Securities lending programme	-	n/a		✓					
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	-	n/a		✓					
LEA 24	Shareholder resolutions	-	n/a		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

METROPOLE Gestion

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 01.2

Additional information. [Optional]

METROPOLE Gestion is an asset management company. Fund management represents 100% of assets under management.

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

39

OO 02.4 Additional information. [Optional]

There is a representative sales office located in Germany where work 3 persons, METROPOLE Gestion Deutschland.

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**

OO 04.1 Indicate the year end date for your reporting year.

28/02/2015

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		5	276	205	821
Currency	EUR				
Assets in USD		6	919	697	375

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

	Internally managed (%)	Externally managed (%)
Listed equity	85.3	0
Fixed income – corporate	7.1	0

Fixed income – government	6.1	0
Fixed income – other	1.5	0
Private debt	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

- Publish our asset class mix as broad ranges
- 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
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 type="radio"/> 0%
	<input checked="" type="radio"/> <10%
	<input type="radio"/> 10-50%
	<input type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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METROPOLE Gestion is a French independent asset management company created in 2002 by François-Marie Wojcik and by Isabel Levy, specialising in stock picking (including SRI), bond picking and diversified investment strategies.

In 2008, METROPOLE Gestion created the fund METROPOLE Value SRI.

From the beginning, METROPOLE Gestion has targeted professional investors. The company offers its products to institutional investors (pension funds, insurance companies, mutual companies) and private banks, family offices and funds of funds managers in Europe, the Middle East and Asia.

Drawing on its renowned track record, it is one of the leading French asset management boutiques and a pioneer of value investing in Europe, with a staff of 39 and \$6,919.7 million of AUM as at 31/12/2014.

METROPOLE Gestion has adopted a process which demonstrates its total commitment to social, environmental and governance criteria.

From the beginning, the company has always felt it is important to take part in community initiatives. For example, it supports the "Formidable Jeunesse" association to provide disadvantaged youths with cultural opportunities. It patronizes the arts by acquiring works from the Musée du Quai Branly in Paris and the Musée des Confluences in Lyon. It also supported the restoration of the glass roof of the Salon d'Honneur in the Grand Palais, in order to develop the national heritage, symbol of transparency and sustainability.

In an effort to promote respect for the environment, the implementation of best practices cut our paper consumption by 30% in 2009. We also make efforts to recycle paper, plastic and batteries. Furthermore, environmental criteria are incorporated into our supplier specifications. For example, we use PEFC-certified paper and our electricity consumption is offset by the use of renewable energy.

Lastly, an employee-supportive governance policy was set up at the company's inception, with an employee shareholder programme, the majority of the company's capital owned by the METROPOLE Gestion team and a profit-sharing plan. The goal of gender parity has been exceeded: 57% of the staff are women, 70% of whom are executives.

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 10.3

Additional information. [Optional]

METROPOLE Gestion implemented responsible investment activities through its fund METROPOLE Value SRI created in 2008.

OO 11

Mandatory

Gateway

General

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
- Fixed Income – other
- None of the above

OO 12

Mandatory

Gateway

General

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

- (Proxy) voting

Closing module

Closing module

METROPOLE Gestion

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.
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- Yes
- No

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

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
---------	---

Our SRI approach is in phase with our value investment strategy, the aim of which is to cast off a short term view in order to generate outperformance.

Our Best in Class/Best Effort approach encourages companies to improve in three major extra financial fields: environment, social initiatives and governance.

In 2009, we set up an academic collaboration with the University of Auvergne in order to provide a long-term response to the dichotomy between corporate social responsibility and valuation.

The SRI investment universe is based on METROPOLE Gestion's in-house research, in conjunction with the University of Auvergne.

The aim is to create a set of standards to evaluate the extra-financial aspects of companies, and in particular to determine the added value generated by these aspects. This set of standards organises the information collected and establishes a framework that can be adjusted to investor constraints.

Here are the 5 steps of the value SRI process:

1st step: quantitative extra-financial rating process and definition of the investable universe:

Best in Class / Best Effort rating based on our proprietary standards and definition of the investable universe.

2nd step: qualitative extra-financial analysis:

The management team meets with selected companies, takes ongoing controversies into account and analyses sector-specific risks.

3rd step: selection of undervalued stocks:

The management team applies the equity value investing process to the extra-financial investable universe.

4th step: portfolio construction:

Weighting based on the strongest extra-financial convictions and on the biggest financial upside potential.

5th step: exit:

Strict sell discipline in the event the extra-financial rating is downgraded and when the valuation target is reached or when the identified catalysts do not materialise.

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

OA 02.2 Provide a URL to your responsible investment policy.

URL

<http://www.metropolegestion.com/England/about/of/responsible-value-investing-34>

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
SRI approach	http://www.metropolegestion.com/England/about/of/sri-approach-4
Responsible Value Investing	http://www.metropolegestion.com/England/about/of/responsible-value-investing-34
AFG/FIR/EUROSIF SRI Transparency Code.	http://doc.metropolegestion.fr/pdf/Code_Transparence_MG%20August_2014_En.pdf
METROPOLE Value SRI fund	http://www.metropolegestion.com/England/about/of/metropole-value-sri-6
Voting Policy	http://www.metropolegestion.com/England/about/of/voting-policy-43

No

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 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 type="radio"/> Applicable policies cover a majority of AUM <input checked="" 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.
---------	---

Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
---------	--

Possible conflicts of interest directly concerning the financial management business:

This type of conflict of interest has been identified and is managed by means of the system for processing stock market orders (for investment or divestment purposes) placed with financial intermediaries, requiring:

- The systematic pre-allocation of orders in the management application/transmission of orders (sent to brokers),
- The drafting of an incident report when a trading error is recognised,
- The prohibition of transactions arbitrating positions (buy-sell) between funds and between funds and mandates, when their sole purpose is to ensure sufficient liquidity for one of the counterparties.

To this end, the company has an operational procedure for allocating and monitoring orders and a procedure for transactions between managed portfolios.

As part of its third-party asset management business, MÉTROPOLE Gestion must always serve the best interests of its principals or of the shareholders [or unit holders] of the funds under management, ensuring that principals and shareholders are treated equally.

No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

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.

- 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.

The team involved in responsible investment is the whole European Equity portfolio management team, under the authority of Chief Investment Officer Isabel Levy and, Co-Chief Investment Officer Ingrid Trawinski. It consists of 7 portfolio managers whose experience is 20 years on average and who has worked together for at least 9 years, since Ingrid Trawinski's arrival.

At METROPOLE Gestion, there is no distinction between analyst and portfolio manager. METROPOLE Gestion's portfolio managers perform a quantitative and qualitative analysis of European companies. They share investment ideas through a collegiate decision-making process, which means knocking down the traditional boundaries (cap sizes, sectors, countries) of portfolio management and fostering team creativity. All portfolio management decisions are taken unanimously.

The European equity portfolio managers are all partners of METROPOLE Gestion which is an additional guarantee of stability.

In order to go deeper into its research about responsible investment, METROPOLE Gestion decided in 2009 to establish an academic collaboration in the long term with the University of Auvergne. This research partnership led to build a powerful and evolving benchmark serving as a solid foundation for analysis.

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
- 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
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
- Dedicated responsible investment staff
- 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

7

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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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
- CDP Forests
- CDP Water
- 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
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact

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]

METROPOLE Gestion supports the ten principles of the United Nations Global Compact.

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

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]

Our academic collaboration with the University of Auvergne paves the way for developing a long-term response to the dichotomy between corporate social responsibility and valuation. This collaboration was enhanced with the launch in 2012 of the "Value and Corporate Social Responsibility" Research Chair. METROPOLE Gestion is a founding partner of the new Chair with Michelin and Caisse d'Epargne d'Auvergne et Limousin, and la Maif.

- 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

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
- No

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
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OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
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- Yes
- No

OA 14	Voluntary	Descriptive	PRI 1
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OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No

Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
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- Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.
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- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name
- No

METROPOLE Gestion

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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

Overview

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

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

	% of internally managed listed equities
<input type="radio"/>	<10%
<input type="radio"/>	10-50%
<input checked="" type="radio"/>	>50%

LEI 02	Voluntary	Descriptive	PRI 1
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LEI 02.1

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

We have developed a deep expertise and knowledge of the European companies that we analyse through a three-fold approach:

- Financial valuation
- Extra-financial valuation
- Credit

Our original extra-financial investment process

We believe our company has proven the merits of combining responsible ethics with a value-oriented philosophy and a "Best in Class" process aimed at encouraging all manner of efforts to promote ESG criteria. This three-fold approach is valuable in terms of investment.

The goal of selecting socially responsible stocks is to promote Corporate Social Responsibility practices through the dialogue established with companies. Specifically, we notify them of the rating obtained using our set of standards, which triggers a dialogue on the most relevant points. Our SRI approach is in phase with our value investment strategy, the aim of which is to cast off a short term view in order to generate outperformance.

The fund management team is involved daily in the extra-financial review as well as the financial analysis. Its work draws on the academic collaboration with the University of Auvergne for quantitative ratings and on meetings with companies for the qualitative approach.

A solely extra-financial approach is not enough to deliver outperformance to investors. This is why we have to add a financial dimension. We apply the financial criteria that we use in our equity value investments to the extra-financial investable universe.

Companies are picked, trading at a discount to their industrial value, and whose financial health suits their business activities and the economic cycle.

Here are the 5 steps of our Value SRI process:

1st step: quantitative extra-financial rating process and definition of the investable universe:

Best in Class / Best Effort rating based on our proprietary standards and definition of the investable universe.

2nd step: qualitative extra-financial analysis

The management team meets with selected companies, takes ongoing controversies into account and analyses sector-specific risks.

3rd step: selection of undervalued stocks

The management team applies the equity value investing process to the extra-financial investable universe.

4th step: portfolio construction

Weighting based on the strongest extra-financial convictions and on the biggest financial upside potential.

5th step: exit

Strict sell discipline in the event the extra-financial rating is downgraded and when the valuation target is reached or when the identified catalysts do not materialise.

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)

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	
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- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies
- 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.

This ESG incorporation strategy matches the steps of our Value SRI process.

LEI 03.3

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

Quantitative criteria for security screening of the investment universe

METROPOLE Gestion, in partnership with the University of Auvergne, has established a methodological base for benchmarking purposes, a set of standards on which the extra-financial analysis of companies is based: The chart is laid out across two axes: (Internal - External/Human Resources - Public assets and capital) which define four pillars.

These four pillars are then broken down into items, which are comprehensively reviewed:

- Environment: measures the impact of the company's activities on the ecosystem
- Social: measures the impact of the company's activities on its human resources
- Governance: measures the quality of relations between Management, shareholders and the Board of Directors
- Stakeholders: measures the quality of relations between Management, shareholders and the Board of Directors

The aim of the filter is to select European companies exceeding the average of companies in their sector in terms of ESG criteria ("Best in Class" approach) or which have a high potential for development in ESG categories ("Best Effort" approach).

1. Defining a methodological base for benchmarking purposes, in partnership with the University of Auvergne
2. Data measurement and aggregation
3. Construction of the "Best in Class" rating ranging from AAA to CCC, along with a "Best Effort" rating ranging from 5 stars to 1 star
4. Company ranking
5. Defining an investable universe

Determination of Best-in-Class scores:

The measurements provided by the Asset4 database are aggregated according to our criteria chart. The results obtained for each indicator are used to establish a ranking for the company in its sector and are normalised to determine a score ranging from 0% to 100%. These scores are then aggregated to give a score for each equally-weighted pillar (environment, social, governance and stakeholders). However, within these four pillars, when a given company is not concerned by a specific indicator, this indicator's weight is divided up between the pillar's other indicators. The results obtained for each pillar are once again aggregated and normalised to establish overall scores ranging from 0% to 100%. These overall scores are divided into 7 groups rated AAA to CCC.

Determination of Best Effort scores:

Each issuer's overall score is associated with a Best Effort score. This score is calculated based on the change in the overall score over three years, with progressive coefficients (the last year has a coefficient of 3). Companies in each sector are ranked and divided into 5 groups ranging from 1 to 5 stars (5 being the highest Best Effort score).

Qualitative criteria for security screening of the investment universe

Ratings are enhanced and verified by:

- systematically meeting with companies in the eligible investment universe, including interviews with companies' CSR officers;
- comparison with their own targets;
- taking current controversies into account;
- analyzing specific sector risks.

The main criteria for analysis security selection into the buy list are the strongest extra-financial convictions, and the steepest financial discounts to industry value,

The weighting is modulated on the basis of extra-financial catalysts (new controversies or improvements), and financial catalysts used in our Value Investing strategy.

Stocks are removed from the portfolio or weightings downgraded in the event of a deterioration in the extra-financial analysis, and/or a reduction in the financial discount.

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
- Country-related analysis or ratings
- 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.
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Quantitative analysis

To collect external data, METROPOLE Gestion uses the Asset4 Thomson Reuters database, the extra-financial database that is the broadest (3900 companies worldwide) and has the longest track-record, with data that are stable over time and include both official company data (annual reports, sustainable development reports) NGO and press reporting of controversial issues.

We then aggregate these data into 200 proprietary indicators measuring each building block in the set of standards put together with the University of Auvergne.

Qualitative analysis

Ratings are enhanced and verified by:

- systematically meeting with companies in the eligible investment universe, including interviews with companies' CSR officers;
- comparison with their own targets;
- taking current controversies into account;
- analysing specific sector risks.

LEI 04.3	Indicate if you incentivise brokers to provide ESG research.
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- Yes
- No

LEI 05	Voluntary	Additional Assessed	PRI 1
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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.
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- (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
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LEI 06.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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Type of screening

- Negative/exclusionary screening

Screened by

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

Description

--Cluster-mines and antipersonnel bombs

- Positive/best-in-class screening

Screened by

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

Description

Our SRI approach is a multi-sector approach, Best-in-Class and Best Effort approach. We encourage companies to improve in three major extra-financial areas: environment, social and governance.

- 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

METROPOLE Gestion supports the ten principles of the United Nations Global Compact.

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.

METROPOLE Gestion, in partnership with the University of Auvergne, has established a methodological base for benchmarking purposes, a set of standards on which the extra-financial analysis of companies is based.

The final chart is laid out across two axes which define four pillars (Internal - External / Human Resources - Public assets and capital) which are then broken down into items comprehensively reviewed:

- Environment: measures the impact of the company's activities on the ecosystem
- Social: measures the impact of the company's activities on its human resources
- Governance: measures the quality of relations between Management, shareholders and the Board of Directors
- Stakeholders: measures the quality of relations between Management, shareholders and the Board of Directors

METROPOLE Gestion's SRI benchmark is a powerful and an evolving investment tool. It is as factual as possible, comprehensive and with no value scale between its constituent pillars.

The idea was to build a benchmark serving as a solid foundation for analysis and breaking down information to make it easier to understand. This solidity makes the benchmark adaptable to advances in extra-financial information. Each time information and practices improve, we want to be able to incorporate them into our benchmark.

METROPOLE Gestion's quarterly SRI newsletter notify investors among other, when changes are made.

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
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- 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.
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These rules are inputted into the Front Office Bloomberg AIM system, which checks compliance with regulatory and statutory ratios and approves investment decisions in real time. The ratios are monitored at all times.

Outputs and outcomes

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

	Describe any reduction in your starting investment universe or other effects.
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The investment universe is built from:
 1/ Best-in-Class rating (from AAA to CCC): each company is rated relative to its sector in obtaining a Best-in-Class rating (from AAA to CCC).
 2/ Best-effort rating (from 1 start to 5): this takes into account trends in extra-financial ratings over the past four years, with the latest year overweighted.
 Among 453 companies from the euro zone, the investment universe consists of 275 companies.

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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LEI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
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- We disclose it publicly

Provide URL

<http://www.metropolegestion.com/England/about/of/sri-approach-4>

LEI 18.2

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

- Yes
- No

LEI 18.3

Indicate the information your organisation proactively discloses to 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 to the public.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

LEI 18.5

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

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

LEI 18.6

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

- Quarterly or more frequently
 - Between quarterly and annually
 - Less frequently than annually
 - Other, specify
- We disclose it to clients and/or beneficiaries only
 - We do not proactively disclose it to the public and/or clients/beneficiaries

METROPOLE Gestion

Reported Information

Public version

Direct - Listed Equity Active Ownership

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(Proxy) voting and shareholder resolutions

Process

LEA 17	Mandatory	Descriptive	PRI 2
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LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
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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
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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:
- 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%)

%

100

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

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.metropolegestion.com/England/about/of/voting-policy-43>

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