LFDE

Integrated Report 2023



LA FINANCIÈRE
DE L'ÉCHIQUIER

New LFDE

A year of transition

Olivier de Berranger, CEO & Co-CIO,
La Financière de l'Echiquier

2023 was a busy and mixed year on the financial markets. For La Financière de l'Échiquier (LFDE), the year was marked by its acquisition by LBP AM, an alliance emblematic of the booming asset management industry.

Since its creation in 1991, LFDE has constantly reinvented itself, proving its ability to adapt and innovate, as well as the solidity of its foundations. In this particular context, being able to count on a stable and powerful shareholder is an opportunity. Today, our conviction-based asset management company has all the assets – experienced teams, extensive product ranges, asset management – to address the changes in our industry. Our new shareholder gives us the resources we need to accelerate our development in France and Europe.

As I take over the reins of LFDE, with Vincent Cornet, Deputy Chief Executive Officer, at my side, I know I can rely on an Executive Committee renowned for its great cohesion and the strength of its expertise. To provide LFDE with all the resources it needs for its transformation, to integrate Tocqueville Finance as effectively as possible[1] and to get its teams on board for the conquest that lies ahead, a number of milestones were set for 2023. LFDE is now well positioned to meet the challenge of financial and non-financial performance, and to build a new leader in conviction-based asset management in Europe.

Excellence, innovation and sustainable growth remain at the heart of our strategy, as demonstrated by this report, which outlines the main activities of our business lines for 2023, as well as those of our Foundation, which became the LBP AM Group Foundation on 1 January 2024.

A strategic moment, a stimulating roadmap, a pioneering spirit... LFDE is ready for the future, free to innovate, as a new chapter in its history begins.



1. Legal merger of Tocqueville Finance into LFDE effective 1 April 2024.

LBP AM

LBP AM: strong convictions, innovative solutions

The sole shareholder of LFDE, LBP AM is a key player in conviction management, solutions, and sustainable finance in Europe.

LBP AM offers complementary expertise in four main areas:

- Real & Private Assets: enabling clients to finance the real economy through a management platform with over 8 billion euros in assets under management, covering three main strategies in private debt (infrastructure, corporate, and real estate) and private equity.
- Multi-Assets & Absolute Performance:providing diversification solutions across a wide range of asset classes and management styles.
- Quantitative Solutions: strategies based on decision-making models and rigorous risk-adjusted performance goals, aiming to identify investment opportunities independently of market cycles.
- Conviction-based Management by LFDE.

A subsidiary of La Banque Postale (75%) and Aegon Asset Management (25%), LBP AM is supported by long-term shareholders that share a common vision of responsible finance dedicated to local territories and the challenges of a just transition.

A committed player in sustainable finance

For nearly three decades, LBP AM has been offering responsible management driven by a constant quest for innovation. Notably, it has developed a unique and powerful proprietary model for non-financial evaluation, "GREaT," which covers nearly 12,000 issuers and is based on four fundamental pillars: Governance, sustainable management of Resources, Energy transition, and Territorial development. Its approach to sustainable investment is distinguished by demanding and systematic consideration of non-financial criteria, which is integrated across all areas of management expertise.

The LBP AM Group is thus able to offer a wide range of products and solutions aligned with all investors' objectives in sustainable finance.

LBP AM has set itself the goal of aligning 80% of its assets under management with the Net Zero trajectory by 2030. This target, compatible with the Paris Agreement on climate change, is reflected in strong commitments: implementation of ESG policies: climate, biodiversity, human rights, voting policies at general meetings of companies, and partnerships and coalitions with key stakeholders.

68 bn
euros in assets under management[2]

339
employees, of which 132 management professionals[2]

2030 target: **80 %**
of AuM with a Net Zero alignment

1. Assets under management including Aegon AM's Dutch Mortgages marketed by LBP AM, at 31/12/2023.

2. LBP AM, Tocqueville Finance and LFDE scope at 31/12/2023.

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The Échiquier spirit

A corporate investor for almost 35 years, La Financière de l'Échiquier (LFDE) is now one of France's leading conviction-based asset management companies, accredited by the Autorité des marchés financiers. A specialist in European stock selection, LFDE has extended its investment universe to international large caps for over 10 years, and has several areas of expertise, mainly equities, credit and multi-asset and asset allocation.

At the end of 2023, LFDE had 12.7 billion euros under management.

The innovation spirit

The Échiquier spirit was forged off the beaten track. Since its creation in 1991, La Financière de l'Echiquier has cultivated a pioneering spirit, a passion for innovation and a unique approach.

The responsible spirit

La Financière de l'Échiquier combines responsibility in a number of areas, motivated by the conviction that companies that are virtuous on environmental, social and governance (ESG) issues are also the best performers over the long term. LFDE never ceases to expand its range of responsible solutions for clients, and is stepping up its commitment to impact investing on listed markets.

The commitment spirit

A signatory of the United Nations Principles for Responsible Investment (UN PRI) since 2008, and a member of the Global Impact Investing Network (GIIN) and the Finance for Biodiversity Pledge, LFDE also supports local initiatives in the service of universal issues.
These collaborative commitments reflect our desire to direct capital towards companies that contribute to the common good.

The philanthropic spirit

Anchored in our DNA, the philanthropic spirit has been reflected since 2004 in the work of the Fondation Financière de l'Échiquier, now the LBP AM Group Foundation[1] , which supports education, social and professional integration, and health, particularly mental health. A commitment that resonates with the resolutely civic-minded DNA of our parent company, La Banque Postale.

Our governance

The Board of Directors of La Financière de l'Echiquier (LFDE) is mobilised and committed to implementing our company's development strategy, and to building a new leader in conviction-based management and sustainable finance in Europe. To achieve these objectives, LFDE enjoys the support of LBP AM and its long-term shareholders, La Banque Postale and Aegon Asset Management.

Management Committee



- Olivier de Berranger
  CIO & Co-CIO



- Vincent Cornet
  Deputy CEO

Executive Committee

- The members of the Management Committee



- Michel Saugné
  Co-CIO



- Anne-Laure Gelot
  Head of Marketing, Communication & RSE



- Caroline Farrugia
  Head of Business & Regulatory Solutions



- Edouard Duffour
  Corporate Secretary



- Elsa Scoury
  Chief Operating Officer



- Robert Véla
  Business Development Manager, France

Board of Directors

- Emmanuelle Mourey
  Chairwoman of the Board of Directors and Director
- Sarah Bouquerel
  Director
- Pascale Moreau
  Director
- Pierre Ernst
  Director
- Vincent Menvielle
  Director

Our key figures

12.7 bn
euros in assets under management

10
operations in other countries

30
financial managers and analysts

134
LFDE employees

10
10 nationalities at LFDE

84
men

50
women



1.04 M
euros allocated to solidarity projects in 2023

~8.300
WMA partners

~130
institutional clients

~500
key account distributors

15
SRI-labelled funds in France

85 %
of assets under management include ESG criteria

6.10 bn
euros of SRI strategy assets under management

Data as of 31/12/23

Our challenge

The rise of sustainable investment and listed impact investing within our management is a strategic challenge for La Financière de l'Échiquier (LFDE) and its clients, and an imperative for the asset management industry. A **forerunner in SRI in France**, LFDE undertook a major shift towards impact investing in 2017 by launching one of Europe's first strategies backed by the United Nations' Sustainable Development Goals (SDGs).

Our commitment to impact has intensified, and the construction of **impact finance** on the financial markets combines with the imperative of **transparency** towards our clients and partners, as well as the imperative of education: this financial education challenge is particularly essential at a time when the **regulations** surrounding **sustainable finance** are becoming denser.

In our changing and **transitional** world, our management company, with its finger on the pulse of global challenges, has strengthened its commitment to its clients, to the companies in which it invests, and to the asset management industry as a whole.

- Innovating and generating performance for our clients.
- Financial educational: deploy an active, responsible teaching approach.
- Investing in tomorrow's world and deploying an ever-expanding range of responsible products.
- Sharing the value created: social responsibility and philanthropy.
- Climate & Biodiversity: generate a positive impact on the planet and on people.
- Cultivating LFDE's uniqueness.

Our contribution to the SDGs

The UN's Sustainable Development Goals (SDGs) are the roadmap for tackling major global challenges by 2030.
As a pioneer of listed impact investing in France, La Financière de l'Échiquier intends to play an active role in promoting and achieving these goals. As vectors for growth, these SDGs also make it possible to estimate the impact of actions and investments over the years.

Our purpose

The definition of La Financière de l'Échiquier's (LFDE) raison d'être is the result of its heritage and of collective thinking that brought together all our employees, under the aegis of the research and consulting firm Prophil. Since 2022, our raison d'être has been:

"Committing our energies and our customers' capital together in a pioneering and responsible spirit to build tomorrow's world."

To ensure that this public-interest ambition has a real impact, our raison d'être is accompanied by 4 strategic objectives.

Our objectives, a strategic and operational roadmap

- Place innovation at the heart of our investment business to increase our impact and generate performance
- Engage in active teaching to better understand the challenges of responsible investment in a changing world
- Affirm our social responsibility policy and philanthropic strategy
- Give our employees the resources and confidence to nurture the pioneering spirit and embody the uniqueness of LFDE



Objective 1

Place innovation at the heart of our investment business to increase our impact and generate performance

The transformation we are undergoing is profound. In a changing world, innovation is the only way to meet the major collective challenges facing the asset management industry and investors alike. Anticipation becomes an imperative. In this way, we have built up expertise in identifying the structural trends that will shape tomorrow's economy.

Innovation is one of the pillars of La Financière de l'Échiquier's (LFDE) development strategy. It feeds our raison d'être, which sets the course of our company's transformation. In 2023, a year as complex as it was intense, LFDE further extended its range of funds, and continued to deploy its pioneering vision of impact investing on listed markets.

Mobilised to build impact finance on the financial markets, alongside the Global Impact Investing Network (GIIN) and the Institut de la Finance Durable in particular, in 2023 we intensified our quest for impact, while seeking first-rate financial performance for the capital entrusted to us by our clients.

In 2023, LFDE also became a member of the international Nature Action 100 coalition, committed to biodiversity, one of the most crucial challenges of our century.

Year in review 2023

2023 was a complex year, concluding notably with the end of the monetary tightening cycle. This environment proved favourable for our thematic strategies, as well as our large-cap growth strategies in Europe (Echiquier Major SRI Growth Europe) or internationally (Echiquier World Equity Growth), but also for our value fund (Echiquier Value Euro). Our bond strategies and our diversified fund Echiquier ARTY SRI, which after a challenging 2022 benefited from the rise in the yield of its bond portion, also recorded positive performances.

The fourth quarter was dynamic for all these asset classes. The markets benefited from the confirmation of declining inflationary pressures and historically significant interest rate cuts. Finally, we note the rally by of small and mid-cap stocks.



Olivier de Berranger,
Chief Executive Officer

Birth of a target-date fund

After a calm period, the bond market experienced a resurgence in attractiveness in 2023. This renewed favour for the asset class marked a paradigm shift, particularly due to the monetary tightening initiated in mid-2022.

In this context, LFDE's credit and multi-asset expertise, which relies on know-how in issuer and risk selection, enabled the launch in December 2023 of Echiquier Credit Target Income 2027. This target-date fund invests in corporate bonds, predominantly from European, American, and Canadian companies, denominated in euros. The portfolio construction is based on a balance between a high-yield core – at least 60% of the fund – and a diversification bucket of Investment Grade. Classified as Article 8 under the SFDR, it benefits from LFDE's expertise in company selection, and enhances our **credit expertise**, which represents over 856 million euros in assets under management as of 31/12/2023.

2023 saw strong performances and encouraged investors to take on more risk, particularly in European and international equities. In the impact segment, despite an unfavourable environment, our impact fund Echiquier Positive Impact Europe held up well and ended the year in positive territory.

Large-cap growth stocks

In 2023, our large-cap growth strategies particularly benefited from their exposure to global growth.

■ Echiquier Major SRI Growth Europe
This fund, focused on large-cap European growth and quality stocks, performed well in 2023 thanks to rigorous stock-picking and its defensive profile. Echiquier Major SRI Growth Europe maintained strong exposure to resilient sectors and companies with significant pricing power, meaning they can pass inflationary pressures through to their prices to maintain high margins. In 2023, this SRI-labelled fund ranked among the best funds in its category of European growth large caps, with an annualised performance of 18.2% vs 15.8% for its benchmark.

■ Echiquier World Equity Growth
A conviction-based fund focused on growth, leadership and innovation, Echiquier World Equity Growth seeks out stocks that we believe will be the structural winners of tomorrow. In the context of 2023, the management team prioritised those combining resilience and pricing power. Since its inception, this strategy has achieved a performance of 9.9%, vs 9.6% for its benchmark.

Thematic management

The rise of generative artificial intelligence was unprecedented in 2023. We believe that AI will affect all sectors. PwC estimates that AI will contribute $15.7 trillion to the global economy by 2030. Echiquier Artificial Intelligence, a pioneering fund launched on this theme in 2018, ended the year up 52.4%, vs a gain of 19.6% for its benchmark, MSCI World Net Total Return EUR. The fund is part of an extended range of international equity funds, including Echiquier Space and Echiquier Robotics.

Rated impact

Since 2017, Echiquier Positive Impact Europe, a conviction-based fund, has been aligned with the UN's SDGs. This impact SICAV, labelled SRI, which relies on a robust proprietary methodology, had a positive year despite the challenging context for impact funds due to the underperformance of green stocks. Echiquier Positive Impact Europe recorded a performance of 16.9%, vs 15.8% for its banchmark, thanks to the presence of tech stocks in the portfolio and the year-end rally of small and mid-cap stocks.

1. MSCI EUROPE NR
2. MSCI ACWI NET RETURN EUR

Award-winning expertise

1st Prize at the 2023 Globes de la Gestion

Echiquier Value Euro won the 1st prize in the Euro Zone Equity category at the 11th edition of the Globes de la Gestion. Awarded by **Gestion de Fortune**, this prize rewards the most consistent funds over the past three years. Based on data from Quantalys, this ranking is determined by criteria of maximum drawdown and volatility during downturns.

LFDE Multi-Awarded at the 2023 Grands Prix de la Finance

LFDE won multiple awards at the 2023 Grands Prix de la Finance presented by H24 Finance. Among them, the **2nd place in the Management Companies** managing between 5 and 15 billion euros and the 3rd place in the favourite ESG Companies category.

Four funds were distinguished:

- Echiquier Agenor SRI Mid Cap Europe, 1st in the Small and Mid Cap Europe category
- Echiquier Artificial Intelligence, 2nd in the Technology category
- Echiquier ARTY SRI, 2nd in the Balanced Diversified Euro category
- Echiquier Major SRI Growth Europe, 3rd in the European Growth Equity category

LFDE teams were also honoured:

- The team dedicated to IFAs, led by Jean-Georges Dressel, won 3rd place in the Sales Team category for the second consecutive year.
- Rolando Grandi, CFA, won the 1st Prize for Managers of the Year (under 40).

Trophées de la Finance Responsable 2023

Echiquier Positive Impact Europe won the 1st prize in the European Equities with Impact category at the 2023 Responsible Finance Trophies by Investissement Conseils. Two other funds were awarded 3rd place: **Echiquier Major SRI Growth Europe** in the European Equities category for the second consecutive year, and **Echiquier Climate & Biodiversity Impact Europe** in the Environmental Impact Equities category.

LFDE, second among SRI Management Companies

In 2023, LFDE won 2nd place in the SRI Management Company category at the 30th edition of the **Palmarès des Fournisseurs by Gestion de Fortune**. This ranking is based on a dual evaluation: a quantitative study, considering the companies most frequently mentioned by Independent Financial Advisors, as well as a qualitative study on the relevance of product ranges, the skills of the sales teams, and the quality of services offered. This ranking is established from the responses of nearly 4,500 French IFAs.

TOP 2023 of Eco-Responsible Funds

In May 2023, LFDE received the **TOP BRONZE** award in the **Best Management Company – Subsidiary** category at the TOP 2023 of Eco-Responsible Funds presented by Toutsurmesfinances.com and Morningstar. This award recognises LFDE's CSR policy in connection with responsible investment. A **TOP GOLD award was given to Echiquier Positive Impact Europe** in the Editorial Grand Prize category. This distinction is awarded to the **editorial team's "favourite" fund.**

Award-winning communication

LFDE was among the winners in the category of **companies managing over 10 billion** in assets at the Fibee's for economic and financial news, for the quality of the content produced between September 2022 and September 2023..

Sicav de Cristal 2023: Innovation Award

At the Sicav de Cristal held in **Belgium** by La Libre and De Standaard, **Echiquier Space** won the **1st prize for the most innovative fund**.

ESG expertise recognised in Italy

LFDE ranked 3rd at the **ESG Identity Awards**, presented at the Salone SRI 2023 in Italy, in the "boutique size AM" category. This ranking rewards management companies with the highest scores based on 50 indicators. This quantitative study is complemented by an analysis of best practices, regulations, and expertise.

Amplifying our impact

Impact, the ultimate frontier of SRI

Rapidly growing, listed impact investing aims to generate both financial returns and positive social and/or environmental impact. Its promise is therefore twofold. The impact investing market is estimated to have over one billion dollars in assets under management, a symbolic figure that highlights the pivotal role of impact finance in addressing the major challenges of the century, particularly climate change and biodiversity preservation.

A range of Article 9 funds

A responsible investor for over 15 years, LFDE quickly ventured into listed impact investing, launching one of Europe's first strategies in 2017 based on companies making a significant contribution to the United Nations Sustainable Development Goals (SDGs). Since then, our pursuit of impact has continued and our range of funds has expanded.

The four impact funds in our range are classified as "Article 9" under the European Sustainable Finance Disclosure Regulation (SFDR).

Echiquier Positive Impact Europe,
a fund backed by the SDGs

Echiquier Climate & Biodiversity Impact Europe,
a strategy dedicated to energy transition and biodiversity protection

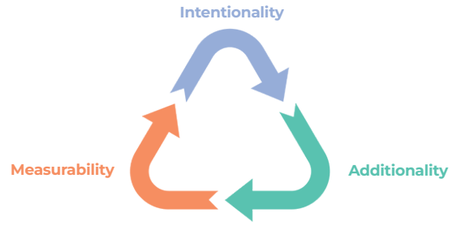
Echiquier Health Impact for All,
a strategy dedicated to access to healthcare

Echiquier Impact & Solidaire,
a solidarity fund to finance socially and environmentally useful projects

A demanding framework

As pioneers in France of impact investing in listed markets, we have established a doctrine that reflects our unique and demanding position. Innovative and evolving, this **impact doctrine** has set a framework for our impact funds since 2021. Inspired by the work of FIR, France Invest and the Global Impact Investing Network (GIIN), it is based on **three pillars**:

- Intentionality: the intention to generate a positive environmental and/or social impact.
- Additionality: the specific contribution of the investor that enables the invested company or financed project to increase the net positive impact generated by its activities.
- Measurability: the measurability of the impact of investments and funds, crucial for tracking the progress of impact objectives ex-ante.



Published on our website and enriched each year, this doctrine highlights the uniqueness of our approach.

Alignment of interests

We have integrated e**x-ante impact objectives** into the **variable compensation policy for the managers of our impact funds**. These objectives have been measured over a three-year period since 2022. This approach aims to strengthen the intentionality of the funds and align our interests with those of our clients regarding the impact thesis of the investment funds. We will annually measure the progress towards achieving the set objectives and communicate this in the annual impact report of the relevant funds.

A pioneering commitment

Our pioneering approach leads us to explore nascent investment themes. This includes listed impact investing and **biodiversity protection**. The deployment of these topics is carried out within a demanding framework, ensuring credibility. Our teams actively engage in contributing to industry discussions and initiatives to promote best practices in listed impact investing, as well as on climate and biodiversity challenges.

In 2023, we also participated in 16 working groups, including 9 focused on climate, biodiversity, and impact.

Innovation in the service of impact

Biodiversity, a crucial issue

The summer of 2023, the hottest ever recorded, with a global average temperature of 16.77 degrees, cost nearly 0.6 points of global GDP. Climate change and its impacts on biodiversity continue to accelerate. Individuals, businesses, financial markets... our dependence is significant. For impact investors like us, companies, as essential links in the protection of biodiversity, can help meet the challenge.

Given the cross-cutting nature of biodiversity, collecting data from companies is complex and highly heterogeneous. To address the lack of precise indicators and common frameworks, LFDE developed an innovative proprietary methodology in 2021 to assess the climate & biodiversity maturity of companies. We focus on four pillars – Climate & Biodiversity Governance, Climate, Biodiversity, and Just Transition – to evaluate, among other things, the impact of companies on biodiversity and assign them a maturity score on these issues. A minimum score of 40% is required to be included in the portfolio of our dedicated strategy. This score, evaluated by the management teams under the supervision of the responsible investment team, helps better understand the impacts and dependencies of companies, thus identifying shareholder engagement levers to help companies progress towards better practices.

Convinced that action must be collective, LFDE also became a member of the Nature Action 100 coalition upon its launch in 2023, joining forces with 190 institutional investors. The objective? To engage in dialogue with 100 key companies from the eight sectors with the most significant impact on nature and encourage them to reduce their impact on biodiversity. As the world's first initiative of its kind, **Nature Action 100** has published a set of measures aimed at protecting nature, restoring ecosystems, and thereby mitigating financial risks.

Biomimicry, an inspired innovation

As a patron of the Muséum, the French National Museum of Natural History, since 2021, LFDE supports the "Eco-concrete of Marine Sediments" **biomimicry research project** led by the BOREA laboratory and dedicated to creating artificial reefs that promote marine biodiversity. Our podcast Sursauts, launched in 2023, traces the project's origins.

Additionally, Echiquier Climate & Biodiversity Impact Europe contributes, through a mechanism of redistributing part of its management fees, to the Muséum's **Endowment Fund for the Planet**, which has notably supported the “Pop-up Biodiversity” project that will be deployed to communities with limited access to culture.

1. United Nations

A pioneering vision of impact

A key element in building a more sustainable and resilient world, impact investing also **drives long-term performance**. As a pioneer of listed impact investments in France, LFDE has been actively engaged in this dynamic since 2017 by aligning its first impact fund, Echiquier Positive Impact Europe, with the UN's Sustainable Development Goals (SDGs). The commitment to achieving the SDGs could generate nearly $12 trillion in business opportunities by 2030.

The management team of Echiquier Positive Impact Europe has identified 9 out of the 17 SDGs that address issues to which companies can contribute. Innovations in health, well-being and telemedicine alone are expected to generate $2.805 billion in opportunities by 2030. This pioneering vision of impact is reflected in the fund's impact thesis, which focuses on supporting European companies that contribute to the SDGs through their products, services and operations.

Despite a challenging year for impact funds, 2023 was favourable for Echiquier Positive Impact Europe's profile. The decrease in long-term interest rates, which benefited the technology stocks heavily represented in the fund, the rally of small and mid-cap stocks and the careful stock selection by the management team allowed this strategy to outperform its benchmark in 2023.

Engagement, a key component of Echiquier Positive Impact Europe's DNA, was particularly evident in 2023. The management team communicated **more than 120 areas** for improvement to around 40 companies. Nearly 20% of these objectives were achieved during the year.

In 2023, for example, the management team initiated engagement with Soitec, a French manufacturer of semiconductor materials, to reduce its water consumption. Soitec quickly implemented a unique wastewater reuse system in Europe, allowing it to double the water reuse rate at its Isère site. This development will contribute to a 30% reduction in water consumption by 2030.



Echiquier Gestion Privée, 360° advisory

Born in the private client segment, LFDE has been supporting its clients for nearly 35 years, sometimes across multiple generations. Echiquier Gestion Privée has built expertise that today allows it to be among the leading players in the sector. In 2023, innovation continued to fuel LFDE's development strategy for its individual clients.

Echiquier Gestion Privée, an Innovative Offering

With nearly 2 billion euros in assets under management in 2023, LFDE adapts its offerings to the needs of individual investors and their **wealth management challenges**.

Echiquier Gestion Privée provides comprehensive support based on multiple areas of expertise, accompanied by a wide range of services, including wealth management, regulatory and tax advice. This innovative offering meets the growing demand from individual investors, particularly from new generations, for **360° advisory** and comprehensive support.

Echiquier Gestion Privée, which brings together **23 specialists** and serves nearly **8,000 clients**, relies on two fundamentals: the personalisation of wealth strategies and the availability of its teams.

2 BN
euros

8000
private clients



Dedicated solutions for WMAs

Particularly committed to Wealth Management Advisors (WMAs), LFDE continuously enhances its offerings and support mechanisms.

WMAs, longstanding partners of LFDE

In 2023, La Financière de l'Echiquier (LFDE) strengthened its commercial framework with the appointment of Charles de Solages and Philippe Blez as Heads of Wealth Management Advisor Investors within the team led by Jean-Georges Dressel. The team fostered **close relationships** with its partners, organising 400 personalised meetings and engaging with 2,140 individuals.

LFDE offers Wealth Management Advisors a selection of European and international equity funds, our asset allocation expertise and a selection of funds. This range allows them to offer **two modes of management**, guided and discretionary and to benefit from customised portfolio construction.



The **support** provided to Wealth Management Advisors takes various forms, specialised training programmes such as the ISR School since 2019, the Climate School since 2022 and the Echiquier Academy, conducted by our Asset Allocation team.

Echiquier Club, tailored support

A premium discretionary management service dedicated to the clients of Wealth Management Advisors, Echiquier Club offers several management options in an open architecture or through LFDE funds. Additionally, ISR mandates and Thematic mandates are available. The personalised approach and responsiveness in management provide significant added value for our partners. The Echiquier Club team, consisting of Valérie Pruvost, Nathalie Digne, and Daisy Hébert, manages over 400 million euros in assets and continues to expand its services with key partners.

LFDE, a key player among institutional investors

In 2023, La Financière de l'Échiquier (LFDE) confirmed its position among institutional investors and key accounts. Headed by Robert Véla, Sales Director France and member of the Executive Committee, the team continued to build LFDE's strength with this expert clientele. Assets under management for institutional clients and key accounts reached 6.2 billion euros in 2023. The year was marked by strong inflows to the Echiquier Major SRI Growth Europe fund, exceeding 320 million euros, and the establishment of new partnerships.

Contributing to the emergence of leaders

In 2023, the second phase of the TIBI mission, launched by the French Ministry of Economy and Finance, was unveiled at the VivaTech event. Its objective is to increase global tech and late-stage funds to foster the emergence of technological leaders based in France. The second phase of this financing plan, via savings from institutional investors, aims to incorporate decarbonisation and transition to a **low-carbon economy**. In this context, we have initiated steps to certify our climate and biodiversity strategy, **Echiquier Climate & Biodiversity Impact Europe**.

Echiquier Artificial Intelligence was selected in 2020 by the Tibi mission, notably for our asset management company's expertise, the management teams' competence, strong knowledge of companies and consideration of ESG issues. By the end of 2023, nearly 20% of this pioneering fund's assets were held by institutional investors committed to the Tibi mission.

An enhanced offering

In 2023, LFDE launched two new dated funds for institutional investors: Echiquier MF Oblig 2024, classified as Article 8 under the SFDR, which adopts an investment strategy based on a rigorous selection of debt securities from private issuers, and a 2027 maturity fund focused on High Yield credit.

A strengthened Foundation

LFDE has built a robust network of trust, which continues to expand. In 2023, new partnerships were established, including a significant one. Following the partnership formed in 2022 with BNP Paribas, LFDE solidified a collaboration with this major banking player on a small and mid-cap fund, an area of LFDE’s historical expertise, amounting to 180 million euros.

Impact and employee savings

Resulting from an unprecedented tripartite collaboration with **Epsor**, a mission-driven company specialising in employee savings, and **Reforest'Action,** LFDE launched a new share class of the impact fund Echiquier Climate & Biodiversity Impact Europe in 2022, aimed at Epsor savers. This fund was the first employee savings and retirement strategy to support the energy transition and biodiversity. Since 2023, this share class has been accessible to clients, with a portion of the management fees being donated to fund projects with carbon certification, led by Reforest'Action. This French B Corp-certified company aims to preserve, restore, and create forests worldwide.

130
institutional clients

~500
key account distributors



"2023 was a year of consolidation in a complex context. La Financière de l'Echiquier's strong positioning with Institutional and Key Account investors has been reaffirmed year after year."

Robert Véla, Business Development Manager, France

LFDE in Europe

A leading European player

Since its establishment in France in 1991, LFDE has gradually expanded throughout Europe. Now present in 9 European countries, LFDE also caters to major institutional investors worldwide, including in Canada, Chile, and Israel.
The appointment of John Korter, Country Manager for Germany and Austria, as Head of European Sales, reflects our ambitions. His European expertise will be crucial in accelerating development in Europe, a strategic priority for LFDE and LBP AM.

"The acceleration of our international development is at the heart of the strategy we share with LBP AM. The comprehensive range offered by the new LFDE enriches our expertise, particularly in the credit market and real assets, allowing us to meet the needs of all types of European clients." - John Korter, Head of European Sales at LFDE

Frankfurt
Germany and Austria

In a complex and challenging market environment for growth stocks, our team has once again strengthened LFDE's presence in these highly competitive markets. 2023 was marked by continued development with institutional clients and consultants, the consolidation of partnerships with our distribution partners – banking networks, private banks, independent management companies – as well as active on-the-ground engagement by our teams, participating in major industry events and various commercial initiatives.



Brussels and Luxembourg
Benelux

2023 was a busy year for LFDE in the Benelux region. The team was actively engaged on the ground, arranging numerous meetings between our management teams and our clients. The year was also marked by the development of the Echiquier Club, dedicated to bespoke discretionary management and launched in Belgium in 2022, including the signing of new dedicated funds. This development is set to continue in 2024.



Madrid
Spain & Portugal

In 2023, business activity in the Iberian and Latin American regions remained resilient despite a turbulent market environment. The Echiquier Artificial Intelligence fund was the main driver of these results. New clients chose LFDE to gain exposure to the megatrend of artificial intelligence. Activity was also supported by LFDE's main clients in Spain, which include banks and their distribution networks, as well as institutional clients in Chile and the Basque Country, though on a smaller scale.



Geneva and Zurich
Switzerland

2023 was a transitional year, marked by high volatility in the equity markets and significant expectations for interest rate cuts. The good news arrived in mid-October, leading to a strong and rapid market surge. Investors primarily returned to high-quality European growth large-cap stocks. The sales team maintained a strong on-the-ground presence with their partners, thereby enhancing LFDE's recognition and visibility.



Milan
Italy

In 2023, the team continued to develop LFDE in Italy, with a specific focus on institutional clients and distribution. The business strategy, implemented in a challenging macroeconomic environment, involved forging new partnerships and positioning LFDE as a leading player in sustainable finance. Another key pillar of this strategy in Italy is the expertise in active management, particularly in equities.





Objective 2

An active educational approach to better understand the challenges of responsible investment in a changing world

Our commitment to building a sustainable world is also reflected in the importance we place on education and transparency. Transparency, a key **financial education** priority for responsible investors like us, is a challenge for the asset management industry.

In a dense and constantly evolving regulatory environment, the need to **increase transparency** for our clients and investors, in general, guides the educational actions of our dedicated firm, which is connected to the major challenges of our century, particularly climate change and biodiversity loss. Our goal is to offer our clients an exemplary, continuously improving approach. Our educational initiatives and actions promote **clarity**, aiming to raise awareness about these critical challenges throughout our ecosystem.

To empower our clients to direct their investments, we employ an **active educational** approach, particularly focused in 2023 on **climate change** and **biodiversity preservation**. An example of this is the launch of an educational podcast that brings together biodiversity experts and responsible companies. Entitled "Sursauts," this podcast is freely accessible on all platforms.

Responsible investment

La Financière de l'Échiquier combines its commitment to performance with a strong and long-held conviction: the most virtuous companies in terms of Environmental, Social and Governance (ESG) issues are also the best performers. Back in 2007, we formalised our ESG analysis methodology, a proprietary method that has been enriched over time.
To date, our offering includes a wide range of SRI and impact products, which will continue to grow, providing tailor-made solutions to clients' specific ESG needs.

Within our asset management, SRI is expressed through a range of 15 funds, all with French or European sustainable finance labels.

15
funds with SRI labels in France and internationally

4
SFDR Article 9 impact funds

6.1 BN
euros in assets under management in an SRI strategy

10.1 BN
euros in Article 8 and 9 assets under the SFDR

1
impact doctrine innovative

In line with its pioneering commitment to sustainable finance, and in order to be able to offer tailor-made ESG approaches, LFDE has been able, since its acquisition by LBP AM in July 2023, to draw on complementary methodological know-how, as well as on the power of the tools developed by LBP AM.



An expert team

Placed at the heart of the management team, our **Responsible Investment Research team** supports our management teams in our responsible investment approach and ensures the quality of ESG research. In 2023, 234 ESG analyses were produced.

Led by Coline Pavot, this team, composed of SRI analysts Fanny Herbault, Valentin Vigier and Thomas Certaux, contributes to the development of our SRI expertise. They provide thematic training within LFDE, as well as to our broader ecosystem, including the academic field.

The SRI team offers programmes such as the "SRI School", dedicated to Wealth Management Advisors, and the "Climate School". Since 2022, they have also trained LFDE employees on climate issues by organising Climate Fresk workshops.

The team is also behind high value-added SRI contributions, which we disseminate throughout Europe on various topics such as the role of women in the financial industry, eco-anxiety and ESG bashing. These contents are freely accessible on our website www.lfde.com.

A committed company

A responsible investor since 1991, a signatory of the UN PRI since 2008, and a member of the Carbon Disclosure Project (CDP), the Forum pour l'Investissement Responsable (FIR) and the Global Impact Investing Network (GIIN), LFDE has strengthened its collaborative commitments in 2023 and stepped up its contribution to work in the marketplace.

Settings standards

Because our aim is to make a difference, to build impact-linked finance and to act in favour of the climate and biodiversity, our commitment takes many forms.

Coalitions of investors

Nature Action 100: In 2023, LFDE joined this coalition of 190 institutional investors aiming to engage in dialogue with 100 key companies from the eight sectors with the most significant impact on nature, encouraging them to reduce their impact on biodiversity.

Finance for Biodiversity Foundation: As part of this initiative, LFDE is committed to integrating biodiversity criteria into its analyses by 2024 and participates in a working group under the aegis of the Finance for Biodiversity Foundation.

Net Zero Asset Managers Initiative: By 2030, LFDE is committed to aligning 50% of its assets with the goals of the Net Zero Asset Managers Initiative. Currently, this corresponds to the assets of our SRI-labelled funds. Launched at the end of 2020, this initiative, which brings together over 300 signatories and nearly $60 trillion in assets under management, aims to achieve net-zero greenhouse gas emissions by 2050.

Climate Action 100+: LFDE is a member of the first global investor coalition dedicated to collaborative engagements with the world's largest greenhouse gas emitters.

Marketplace initiatives

We are also involved in specific working groups on regulatory issues and industry consultations.

To contribute to the development of a collective vision of impact, LFDE participated in the **"Panorama of Impact Finance – Integration of Listed Impact Finance"** working group, launched at the end of 2023, alongside FIR, FAIR and France Invest.

LFDE has also renewed its commitment to the **Institute for Sustainable Finance**, joining working groups on impact finance. Topics include developing an impact potential measurement matrix by asset class, revising the impact charter and measuring impact at the investor and company levels.

Additionally, LFDE has participated in several initiatives addressing **social issues**, including the working group on Forced Labour/Child Labour launched by FIR, and the ADVANCE collaborative engagement initiative launched by the PRI. This initiative focuses on social issues and engages with companies in the metals, mining and renewable energy sectors.

Supporting companies

As long-term investors, we support companies over the long term to help them improve their environmental and social practices, as well as their corporate governance. We combine individual and shareholderengagement, particularly in the areas of climate change and biodiversity, on which we communicate transparently.

Individual engagement

Our individual engagement with the companies in our portfolios takes the form of regular dialogue and systematic discussions dedicated to ESG issues, with a particular focus on climate risks. In this way, we share with management teams our progress targets, which are monitored over time and formalised in our written reports.

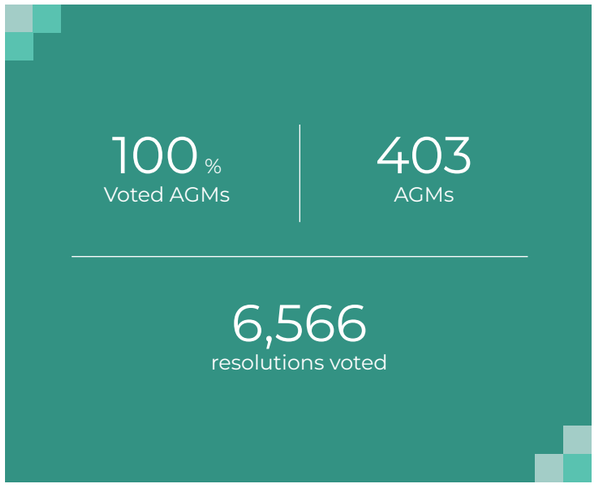
In 2023, **407 areas of progress** were reported on ESG topics:



Shareholder engagement

Shareholder engagement has been anchored in our approach since 2013. In 2023, we voted on over 6,500 resolutions at 403 Annual General Meetings (AGMs). We pay particular attention to environmental and social resolutions.

We report on our voting and shareholder engagement actions in our impact reports, as well as in our **voting reports**, which are available on our website, in the "Responsible Investment" section. LFDE's **voting and engagement policy** is also freely available on our website.



Climate & biodiversity strategy

Because hope is not a strategy, LFDE was quick to take up the challenges of climate change and biodiversity, notably through a dedicated corporate strategy. In 2023, we continued to place biodiversity at the heart of our actions. The stakes are high: 50% of the world's GDP depends on biodiversity, according to the World Economic Forum.

LFDE's **Climate & Biodiversity Strategy** is as ambitious as it is pragmatic. Since 2021, it has set the course for the transformation of our demanding approach as a responsible investor. Its aim is to integrate climate and biodiversity issues into all business lines, as well as into all corporate decision-making.

Our **Climate & Biodiversity Strategy reports**, which are freely accessible on our website, set out our progress in detail. They meet the requirements of Article 29 of the French Energy and Climate Law, as well as the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).



In 2023, we will:

- Continue to **train** all employees on biodiversity issues and their impacts on businesses and finance. Since 2022, LFDE has also offered all employees a collaborative workshop through the **Climate Fresk**, helping them understand climate issues. Over the year, 14 sessions were organised and 81 employees were trained.

- We continued to integrate climate risk indicators and ensured the monitoring of risks for our mutual funds. To this end, our management teams have access to specific data and tools, including the ESG Connect platform. These resources enable them to effectively control the climate risks to which our funds are exposed.

- We strengthened our shareholder engagement and voted on **13 resolutions concerning environmental issues**. Adhering to our **voting and engagement policy**, we commit to participating in the filing of external climate resolutions and/or supporting them through voting if all the criteria required by our voting policy are met.

A demanding corporate strategy



- Commitment 1
  Strengthen LFDE's Climate and Biodiversity Governance
- Commitment 2
  Set an example
- Commitment 3
  Mobilise companies to support the transition
- Commitment 4
  Support our clients
- Commitment 5
  Measure the compatibility of our investments
- Commitment 6
  Integrate climate and biodiversity risks into our investments
- Commitment 7
  Strengthen climate and biodiversity in non-financial analysis
- Commitment 8
  Invest in transition
- Commitment 9
  Beyond climate

A strong commitment to transparency

Transparency in our methodologies and investments is a **priority for financial education**. We clearly explain our approach, our methodologies and our indicators. We illustrate them in a tangible way, particularly through our reporting and impact assessments. Our **Transparency Code** sets out all our responsible commitments and impact methodologies.

To adapt to the regulatory waves surrounding sustainable finance, we stepped up our educational efforts on these subjects in 2023.

Fine, precise data

To further enhance the relevance of our data and strengthen the consistency of our analyses and reporting, we have been using a **single provider of climate and biodiversity data**, Carbon4 Finance, since 2022.

Meaningful indicators

The measurement of climate performance and the contribution of our investments to the transition reflects a key commitment of our Climate & Biodiversity strategy. The goal is to ensure the compatibility of our portfolios, and thus our clients' savings, with a transition scenario towards a low-carbon economy, aligned with the Paris Agreement.

We publish these indicators in our Climate & Biodiversity strategy reports, which are freely accessible on our website. These include **carbon footprint, temperature alignment, physical risks, green and brown shares, and biodiversity footprint**. For each indicator, we provide the methodology, limitations and objectives set by LFDE. A cross-reference table with Article 29 and the TCFD, glossaries, and an explanation of LFDE's methodology are also included in these reports.

Precise reporting

Our monthly reports include ESG data and ESG performance indicators, such as weighted average carbon intensity, controversy score and carbon impact ratio.

The footprint of our funds

The **Climate and Biodiversity** report (Article 29 ECL – Energy and Climate Law) discloses all the carbon footprints of our funds.

Biodiversity footprint

We have chosen the MSAppb (Mean Species Abundance parts per billion) indicator developed by Carbon4 Finance in partnership with CDC Biodiversité. This indicator expresses the impact of each company's activity on the degradation of ecosystems. We publish it and explain it clearly.

Impact and transparency

Measurability and transparency are the pillars of impact investing. We translate this requirement into action. In an increasingly complex regulatory environment – SFDR, MiFID II revision, CSRD, and the EU taxonomy – the need to enhance transparency and make investment decisions through the lens of double materiality is imperative. For each of our impact funds, we publish an annual impact report. The goal is to account for what has been achieved over the past year, the direct and indirect impacts generated by the funds and the portfolio companies.

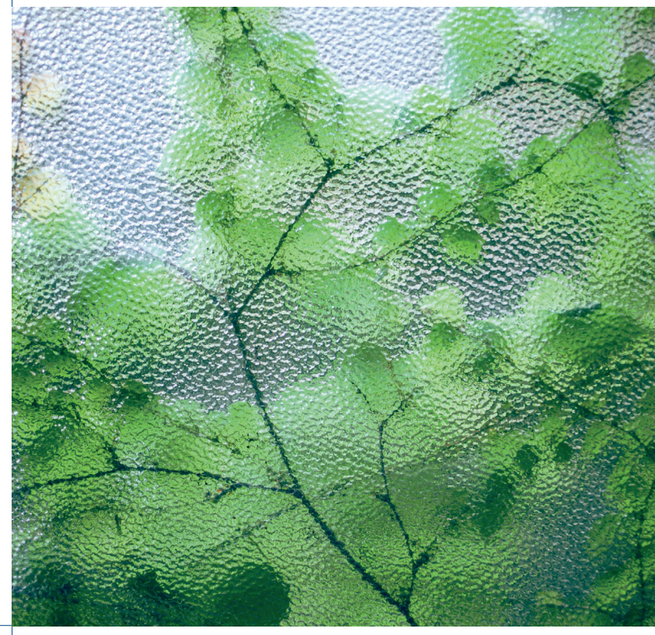
The impact reports of our **four Article 9 funds** according to SFDR, audited by independent consulting firm Better Way, are freely accessible on lfde.com:

- The first impact report of Echiquier Health Impact For All, dedicated to healthcare access.
- The first impact report of Echiquier Impact & Solidaire, a solidarity fund aimed at financing projects of social and environmental utility.
- The second impact report of Echiquier Climate & Biodiversity Impact Europe, dedicated to ecological transition and biodiversity protection.
- The fifth impact report of Echiquier Positive Impact Europe, the first fund aligned with the UN Sustainable Development Goals, launched in 2017.

These publications report on the impact generated by the portfolio companies and present all the measures taken to contribute to the impact theses of the strategies.

"In a constantly evolving regulatory environment, the publication of these reports is inspired by best practices in the industry, particularly from the work of FIR, France Invest and the Institute for Sustainable Finance. Our goal is to offer our clients an exemplary approach that is continuously improving."

Coline Pavot, Head of Responsible Investment Research



Involve companies....

The year was marked by a number of initiatives involving companies. In particular, we designed an **educational podcast** to highlight the innovative solutions deployed by companies to protect biodiversity.

Sursauts

At the 2023 edition of the Rencontres du Climat & de la Biodiversité, LFDE launched the podcast "Sursauts", in partnership with ID – l'Info Durable. This 6-episode series focuses on solutions developed by companies to preserve and regenerate biodiversity. It follows on from our educational initiatives of recent years.

Hosted by Raphaëlle Duchemin, each episode invites experts to present ambitious solutions or strategies for preserving biodiversity.

■ Biodiversity, a strategic challenge for companies
Véronique Dham, founder of **Biodiv Corp**, a biodiversity consulting and training company, presents solutions designed to help companies measure biodiversity.

■ Measuring biodiversity to preserve life Fabien Verfaillie, **Veolia**'s ecologist, presents one of the group's innovations: the LEKO sensor, dedicated to local authorities, a connected device for counting the diversity of species in an environment.

■ Restore, Regenerate, Protect
Géraldine Vallejo, Director of Sustainable Development Programs at **Kering**, discusses the luxury group's Regenerative Fund for Nature. The goal is to To convert one million hectares of farms and pastures within the fashion industry's supply chains into regenerative agriculture spaces.

■ Recycling waste to reduce pollution Olivier Lepez, Director of Innovation at **Etia and Vow ASA**, Norwegian companies specialising in waste and wastewater management for the marine industry, talks about biochar, a solution that avoids the discharge of pollutants.

■ Creating more responsible packaging Frédéric Di Monte, Global Sustainability Marketing Manager at Swiss group **SIG**, explains the sustainability strategy of the world leader in food packaging, whose Forêt+ commitment aims to create more prosperous forests by protecting 100% of the forests from which the cardboard for its packaging comes, thanks to FSC® certification.

■ Biomimicry & marine biodiversity
Elisabeth Riera, holder of a PhD in marine ecology, describes the research project she is leading for the **Muséum national d'Histoire naturelle**. Supported by LFDE, this project, "Eco Béton de Sédiments Marins" aims to develop artificial reefs to preserve marine biodiversity.



...and our clients

To accelerate the transition and provide a concrete understanding of the changes underway, our educational initiatives cover a wide range of topics. And because dialogue with our peers and within our industry is vital to us, our teams took part in several targeted events in 2023, including:

Time to change

We participated in the second edition of the Time to Change Forum organised by the French Association of Institutional Investors (Af2i), in partnership with Option Finance and GreenUnivers. This edition brought together 500 sustainable finance and energy transition stakeholders in Deauville, focusing on the climate emergency and the major challenges of tomorrow. Luc Olivier, CFA, an impact fund manager, spoke on the topic.

Salone SRI

In November 2023, LFDE took part in this Milanese trade fair dedicated to responsible finance. The 2023 edition was devoted to "ESG Impact, the frontier of sustainable products and identities". Coline Pavot, Head of Responsible Investment Research, took part in a round-table discussion on impact and European standards.

Biodiversity on the small screen

Luc Olivier, CFA, Manager of Echiquier Climate & Biodiversity Impact Europe, appeared several programme BFM Bourse program, on the themes of impact investing and the protection of biodiversity, particularly marine biodiversity.

Education on climate change...

LFDE aims to be a driving force behind innovation to help meet the challenges of climate change and biodiversity. The skills developed in-house enable us to share our expertise with our clients and our ecosystem.

L'Ecole du Climat

L'Ecole du Climat is an interactive training programme for wealth management advisors, our employees, customers and students. Over 170 people have been trained since its launch in 2022. Topics covered include the causes and consequences of climate change, indicators, the links between finance and climate, regulations and the just transition. This training, provided by our Responsible Investment Research team, follows in the footsteps of LFDE's SRI School, which has been raising our partners' awareness of responsible investment issues since 2019.



L'Ecole de l'ISR

The growth of SRI necessarily relies on the engagement of individual investors. As our WMA partners play an essential role in informing and raising awareness among their investors, we have designed this programme to give them all the tools they need to better grasp the subject. Building on its success, L'Ecole de l'ISR has been deployed throughout France, and is spreading beyond the world of asset management to the university benches of SKEMA Business School, with the launch of a Master of Science in Sustainable Finance & Fintech, and NEOMA Business School.

In 2023

282 people trained

23 hours of training

L'École de l'ISR since 2019

2,349 people trained

224 hours of training

and biodiversity issues

In addition to educational programmes such as L'Ecole de l'ISR and l'Ecole du Climat, LFDE is committed to raising awareness of biodiversity issues through a variety of formats, notably digital. In 2023, for example, LFDE became a sponsor of the Muséum national Histoire naturelle's series of podcasts, "Pour que nature vive", designed to explore the ocean with Muséum scientists. In 2023, we also launched "Sursauts", a podcast dedicated to biodiversity, in partnership with ID – l'Info Durable (see page 40).

Since 2022, LFDE has also been a sponsor of the **MOOC Biodiversité**, Relever le défi du vivant (Biodiversity, Meeting the challenge of life) from ENGAGE, an organisation dedicated to environmental and social transition. This free MOOC, dedicated to the understanding and appropriation of biodiversity-related issues, is accessible on all platforms.

Throughout 2023, LFDE's Biodiversity Chronicles focused on double materiality, ESG bashing, eco-anxiety, climate change and the presence of women of finance. Broadcast in six languages, these chronicles were covered by the press in France and across Europe.

LinkedIn, a fertile ground for sustainable finance and ecological transition topics

41% best engagement rate on impact

35% of our posts were dedicated to sustainable finance in 2022



Sharing of our convictions

In 2023, our events focused on transition, climate change and biodiversity protection. Our teams also took part in numerous events in France and Europe, sharing our convictions and raising stakeholder awareness of the major issues of our time.

Recomposing the world

The 2023 edition of the LFDE Summer University, which brought together 300 people, explored the major transformations of our century, in the company of four prestigious guests, who are composing or recomposing their world, their company, their lives or the lives of others.

- Recomposing Made in France, with Guillaume Gibault, founder of Le Slip Français, a B Corp certified mission-driven company. A bold, committed entrepreneur, his aim is to reindustrialise and relocate the textile subsidiary in France.
- Reimagining the hospital with Nolwenn Febvre, a nurse anaesthetist and founder of the association Les P'tits Doudous, which aims to improve the well-being of children undergoing surgery and to facilitate the work of healthcare providers. Its innovative business model is based on the recycling of hospital waste. Nolwenn Febvre was accompanied by skipper Armel Tripon, the association's patron.
- Recomposing the economy, with Philippe Aghion, economist and Professor at the Collège de France. World-renowned for his groundbreaking research on growth and innovation, he spoke on the subject of green growth.
- Recomposing Life with Sylvain Tesson, writer and traveller. How can literature and travel reconcile us with reality in the face of the illusions of the virtual world? For this world explorer, it is urgent to love what has come before us.

Presented by **Olivier Baccuzat**, Deputy Editor-in-Chief of L'Opinion, this 17th edition featured drawings by press cartoonist KAK.



Les Rencontres du Climat et de la Biodiversité

The third edition of the Rencontres du Climat et de la Biodiversité, held at the Cercle d'Aumale in November 2023, brought together customers, experts and companies. The aim? Stimulate dialogue between investors and companies, and exchange best practices to meet the challenges of climate change and biodiversity.

Aware of the magnitude of these challenges, companies are deploying ambitious strategies or designing potentially disruptive solutions. This was demonstrated in a panel discussion moderated by Coline Pavot, Head of Responsible Investment Research at LFDE, which addressed issues of **water access and efficiency** with Tristan Mathieu, Director of Public Affairs and CSR at Veolia Eau France, and Iheb Triki, Founder of **Kumulus Water**, a deep tech company that has developed a machine to create water from the humidity in the air.

François Gemenne, a member of the IPCC and a specialist in climate governance, spoke on **climate migrations**, a phenomenon that affected 32 million people in 2022 and to which no region of the world is immune.

Additionally, **three workshops** brought together experts and companies with LFDE's SRI and impact teams. They focused on issues related to plastic pollution and oceans, corporate climate governance, and Say on Climate initiatives that aim to guide corporate climate policies during general meetings.





This unique initiative in Paris reflects our ambition to be a driving force for innovation in climate finance and biodiversity topics.

A temporary exhibition by Nils-Udo, a pioneer of Land Art, was showcased during the evening.



Objective 3

Affirm our social responsibility and philanthropic strategy

As responsible investors, we have sought from the beginning to reconcile our profession with **our social responsibility** towards our clients, our employees, and civil society. Rooted in the Echiquier spirit, **sharing the value created** reflects our desire to contribute to the life of the community and to promote values of solidarity.

This commitment, now embedded in our purpose, is manifested through tangible actions and unites our employees. Our pursuit of environmental impact is part of **LFDE's Climate & Biodiversity strategy**.

Our spontaneous **philanthropic approach**, based on mechanisms for sharing time and money, gave birth in 2005 to a corporate foundation, one of the first affiliated with an asset management company. Renamed the LBP AM Group Foundation in January 2024, it works in favour of education, social integration and health, particularly mental health. Since 2005, 11 million euros have been redistributed to solidarity projects, with contributions from our employees.

The Foundation's budget is partly funded by reallocating a portion of the management fees from three of our funds. As part of our **quest for impact**, this mechanism is applied to all our impact funds, which directly redistribute a portion of their management fees to projects with significant social and/or environmental impact. These initiatives nurture our solidarity DNA, which resonated strongly in 2023.

Responsibility, at the heart of the company

The pillars of our CSR strategy mark out the scope of our responsibility towards our clients, our employees and civil society. Our company's Climate & Biodiversity strategy reflects our determination to integrate environmental and social issues into all our business activities. It also enables us to monitor the progress we are making. We also produce and publish an annual carbon footprint report. To measure the carbon footprint of our portfolios, we rely on the data and robust methodologies of Carbon4 Finance.

Committed to limiting our impact on climate and biodiversity

Measuring the biodiversity footprint and contribution to the transition of our investments reflects a key commitment of LFDE's Climate & Biodiversity strategy. The goal is to ensure the compatibility of our portfolios, and thus our clients' savings, with these issues. We publish these indicators in the annual report of this strategy, which is freely accessible on our website.
The measurement of the climate performance of our investments is conducted annually. In 2023, 21 of our 27 open-ended funds had a lower emission intensity compared to 2022.
Although measuring biodiversity is complex, we have chosen the MSA (Mean Species Abundance) indicator to **measure biodiversity**. This indicator accounts for both the dynamic impacts of a company's activities on biodiversity during the current year and the static impacts, i.e., the past impacts of all our investments on biodiversity.
Developed by Carbon4 Finance in partnership with CDC Biodiversité, the MSA reflects the impact of company activities on ecosystem degradation.

Biodiversity loss and climate change are crucial issues. The disruption of ecosystems has far-reaching effects, with adverse consequences for people and businesses dependent on ecosystem services.

Of our **27 open-ended funds, 21 have a lower induced emissions intensity in 2023**:

- Echiquier Climate Impact Europe: **95.5** teqCO2/ M€ in 2023 vs **107.2** teqCO_2/€m in 2022
- Echiquier Positive Impact Europe: **81.8** teqCO2/ M€ in 2023 vs **92.2** teqCO_2/€m in 2022

Of our **27 funds, 23 have a lower MSA biodiversity footprint in 2023:**

- Echiquier Climate Impact Europe: **51.9** MSAppb/M€ in 2023 vs **35.1** MSAppb/€m in 2022
- Echiquier Positive Impact Europe: **40.6** MSAppb/M€ in 2023 vs **24.0** MSAppb*/€m in 2022

Our 2023 carbon footprint

In 2023, emissions linked to "office life" rose by 6%, mainly due to more business travel, resulting in a higher carbon footprint, as well as to the continued level of spending in the "purchasing" category, the main source of emissions from our Paris premises. The latter represents 85% of the 2023 total.
As part of the implementation of convergence mechanisms with LBP AM, work has begun with Greenly, a platform that supports companies in the measurement, management and reduction of CO2 emissions. The aim is to obtain a consolidated view for the whole Group, and to use the same methodology for calculating carbon footprints.

Our 2023 carbon footprint

2,394 tCO_2eq
vs 2.260 tCO2eq
emissions linked to office life

917,530 tCO_2eq
vs 897,021 tCO2eq
emissions from our investment funds

The strength of the collective, our CSR initiatives

- Recycling waste

We organise the recycling of waste from our Paris premises, in partnership with the non-profit Les Joyeux Recycleurs. In 2023, **1,875 kg of waste were recycled, saving 209 kg of CO_2**.

- 1,293 kg of paper → 19 trees saved
- 15 kg of cups → 256 coat hangers
- 15 kg plastic bottles → 30 fleeces
- 537 kg of coffee grounds → 107 bags of compost

This figure has been rising steadily since 2019 (400 kg collected). For every kilo collected, 5 centimes are donated to non-profit Ares Atelier, which helps marginalised people return to work.

- Energy efficiency and digital technology

Energy and digital efficiency represent a challenge that LFDE intends to address in various ways.
In partnership with TIM Sports, our company has been offering e**lectric company bikes** to its employees since 2020, covering 70% of the rental cost. We also offset the carbon emissions related to the organisation of our annual event, the Climate & Biodiversity Summit. In 2023, we enlisted the help of the **Good Planet Foundation** for this purpose.
Additionally, our IT team regularly organises awareness-raising campaigns to encourage our employees to reduce their individual digital footprint.

Value sharing

Sharing the value created is deeply rooted in our company's DNA. LFDE was one of the first management companies in France to introduce a mechanism for redistributing part of the management fees of some of its funds. Echiquier Positive Impact Europe, Echiquier Excelsior and Echiquier Agressor (P share) thus contribute to the budget of our corporate foundation.



This value-sharing scheme, strengthened in 2023, enables us to fund projects that resonate with our values and our quest for impact. In 2023, Echiquier Positive Impact Europe donated 500,000 euros to the Foundation.
This redistribution for 2022 helped support the Maisons des Jeunes Talents, dedicated to scholarship students admitted to preparatory classes for elite schools.

In total, the Foundation allocated **1,043,057 euros** to non-profit projects in 2023.

The redistribution of part of the 2022 management fees of our Echiquier Climate & Biodiversity Impact Europe fund contributed to the financing of two projects in 2023:

- The 100% Transition high social impact programme, designed by non-profit **Osons Ici et Maintenant**, promotes the integration of young people in the service of ecological and social transition. A contribution of 50,000 euros co-financed the career paths of 50 young people benefiting from this programme.
- The **Museum for the Planet Endowment Fund** aims to contribute to the preservation of biodiversity. A contribution of 25,000 euros was allocated to the "Pedagogy and Society" pillar.

As part of the redistribution of management fees for 2023, Echiquier Climate & Biodiversity Impact Europe will continue to support these two projects. Our contribution will co-finance a new training programme by non-profit Osons Ici et Maintenant. Our support for the Endowment Fund of the National Museum of Natural History will contribute to the educational project "Pop-up Biodiversity," aimed at audiences with limited access to culture.

Through our Echiquier Health Impact for All fund, dedicated to healthcare access, we have been supporting **Les P'tits Doudous** since 2022. Launched in 2011 by nurse anaesthetist Nolwenn Febvre, this non-profit now comprises 131 local chapters throughout France, Belgium, and Canada, with nearly 2,000 caregivers. It supports more than **120,000 children per year**. Its mission is to improve the well-being of hospitalised children by reducing their anxiety through play and digital tools before surgical operations. Committed to sustainable development, its funding model is based on the circular economy. Metals from single-use electric scalpels and other metal waste from operating rooms are decontaminated and then recycled. In 2023, Echiquier Health Impact for All donated **60,000 euros to the non-profit**.



A DNA of solidarity

Solidarity and philanthropy are deeply rooted in our approach. To encourage our employees' sense of solidarity and commitment, La Financière de l'Échiquier was one of the first asset management companies in France to introduce mechanisms for sharing both money and time. These mechanisms are great vehicles for commitment and cohesion, and help to unite our employees.



Skills sponsorship

The **skills-based sponsorship** programme allows them to dedicate up to 5 days per year of their work time to non-profits. Numerous opportunities for collaboration are offered throughout the year, such as with **Like Ton Job** in 2023. Its initiative "Passeurs de Passion" enables students from disadvantaged neighbourhoods to meet professionals and expand their horizons.

Another example of our commitment is our work with **Emmaüs Défi**, which supports people in extreme poverty.

In 2023, xx LFDE employees participated in at least one solidarity initiation with a non-profit supported by our Foundation. In total, **77 hours of skills-based sponsorship** were completed in 2023.

Throughout the year, the Foundation multiplies its invitations to get involved, as in 2023:

- Solidarity collections

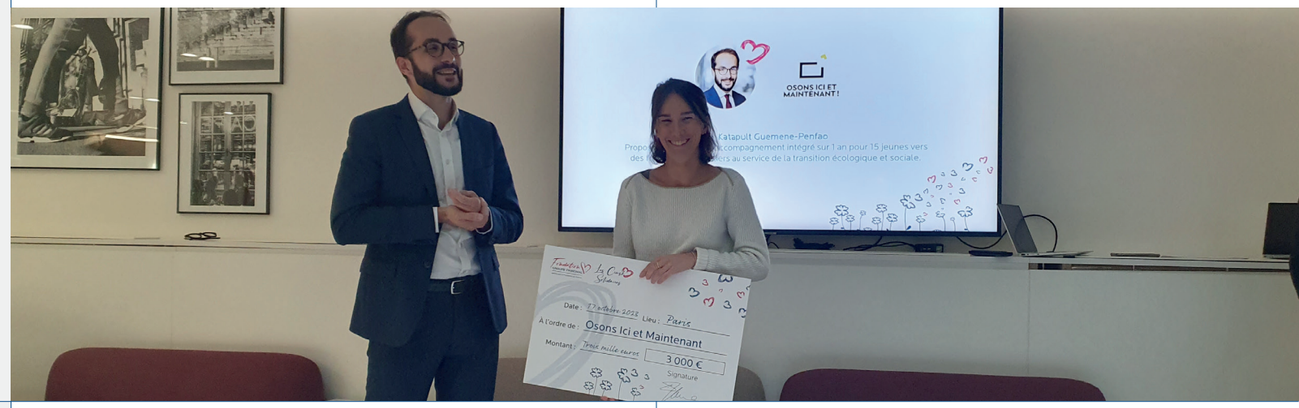
These collections were organised for the benefit of homeless people supported by La Cloche, or families supported by Emmaüs Défi.

- Les Crush Solidaires

This internal philanthropy programme offers to finance non-profit projects led by our employees. In 2023, it supported 13 non-profit projects led by LFDE employees.

Crush Solidaires' winning projects include:

- **In the field of education:** Année Lumière, which helps young people build their future, and L'école à l'hôpital, which provides free courses for young people aged 5 to 25.
- **In the field of professional integration:** Aux Captifs La Libération, which supports people living on the streets; Osons Ici et Maintenant, which helps young people achieve sustainable integration; and Life Project 4 Youth, which develops innovative solutions for the professional and social integration of young people living in extreme poverty and facing exclusion.
- **In the field of mental health:** Aide et Support, one of whose missions is to provide psychological support to victims of the war in Ukraine.



A committed Foundation

Our corporate foundation, sheltered by the Fondation de France, structures our philanthropic activities. The **LBP AM Group Foundation**, which operated as the Primonial Group Foundation in 2023, is intended to be a continuation of the philanthropic actions undertaken by LFDE since 2005. It supports education, social and professional integration, and health, particularly mental health. In 2023, the Foundation financed solidarity projects totalling **1,043,057 euros**. Since its launch in 2005, the Foundation has redistributed **11 million euros** and supported over **440 projects**.

Regional roots

In 2023, the Foundation deepened its regional roots. After the Provence-Alpes-Côte d'Azur, Normandy and Hauts-de-France regions, its action was extended to the Centre-Val de Loire, Pays de la Loire and Bretagne regions. The Foundation has supported **17 projects** in these three regions, totalling 399,362 euros, benefiting almost 5,000 people.

Three priority areas

2023 proved to be a busy year for the Foundation's three areas of activity. Among the projects supported:

- **In favour of education:** Entraide Scolaire Amicale (E.S.A) supports children with educational and socio-economic difficulties, as well as their families. Present in Nantes since 2015, its area of action now extends to Pays de la Loire and Centre-Val de Loire thanks to the support of the Foundation. Today, it supports a total of 4,300 children and young people.

- In favour of social and professional integration: the Agapè Anjou school offers diploma courses in the restaurant industry for young people with learning difficulties or who have dropped out of school. In 2023, the socio-educational support for a new class of 33 young people was strengthened.

- **In favor of mental health:** Aquarius promotes the mental well-being and integration of unaccompanied minors.

In addition to providing financial support to non-profits, the Foundation's actions help to unite Group employees. A skills sponsorship scheme enables them to donate their time to the associations of their choice (see page 52 on ADN Solidaire).

Since 2010, the **Maisons des Jeunes Talents**, an equal opportunity programme managed by the Foundation, has been offering free housing and personalised support to scholarship students admitted to Preparatory Classes for Elite Schools. In 2023, the Foundation's support for this programme amounted to 525,695 euros.

Twenty-four students were welcomed into the class of 2023-2024, bringing the total number of young people supported during the year to 47. Each student is mentored throughout their studies. In 2023, 14 of the 56 mentors were LFDE employees. This equal opportunity initiative is yielding positive results: **100%** of the Jeunes Talents from the 2022-2023 class were admitted to a Grande Ecole.

Lyon's Maisons des Jeunes Talents

In September 2023, in partnership with the Lycée Saint Just, the Maisons des Jeunes Talents deployed their action in Lyon.

The first Lyon cohort includes **5 students in years 10 and 11**.





Objective 4

Give our employees the resources and confidence to foster a pioneering spirit and embody the uniqueness of LFDE.

Founded in 1991, when the fledgling French asset management industry was still in its infancy, La Financière de l'Échiquier (LFDE) forged its path off the beaten track, cultivating a taste for boldness and a contrarian spirit. From the very beginning, its founders instilled a passion for excellence and high standards, along with a unique sense of responsibility and solidarity. This corporate culture, grounded in a long-term vision, provides valuable assets for reinventing ourselves in a changing world, faced with immense challenges.

Believing in the **power of collective intelligence** and the **strength of audacity**, we strive to create all the conditions for the professional and personal fulfilment of our employees – an essential factor for cohesion and a lever of efficiency that also impacts collective performance.

One of our objectives is to unite our employees around our transformation project and our values of solidarity, while also **encouraging the pioneering spirit** of our company. To this end, we continually seek to develop their skills and refine their expertise on key issues.

We have enriched our professional training programmes with a "sustainable finance" component and multiplied training sessions, delivered by external speakers or our own teams, who share their macroeconomic expertise and responsible investment insights with our employees.

We also pay close attention to the work environment. We ensure regular opportunities for sharing and deploy original initiatives throughout the year to **cultivate the unique Echiquier spirit**.

3 BONNE SANTÉ ET BIEN-ÊTRE 4 ÉDUCATION DE QUALITÉ 5 ÉGALITÉ ENTRE LES SEXES

Empowering our employees to grow

We provide numerous learning opportunities for our employees. Generic training sessions, especially on sustainable finance and Climate & Biodiversity topics, are regularly offered. Additionally, our company covers the cost of external degree programmes. The expertise thus developed enables us to spread our convictions and cultivate our uniqueness.

Training, a perpetual challenge

Alongside the training offered throughout the year on regulatory and macroeconomic topics, we encourage our employees to pursue **individual training** tailored to their needs. This priority contributes to SDG 4: Quality Education, which aims to ensure equal access for women and men to quality vocational education (SDG 4.3).

Our employees thus have the opportunity to benefit from various training programmes, such as **quarterly macroeconomic insights** delivered by Jean-Pierre Petit, President of Les Cahiers Verts and professor at ESCP.

L'Ecole de la Bourse, LFDE's historical financial education programme, led by Pierre Puybasset, Head of Investment Communications, and our fund managers, offers regular workshops to all our employees. The Internal Control team also provides regular training on current and upcoming regulatory topics.

We are equally committed to professional and salary equality, a challenge for LFDE as well as for the asset management industry. In 2023, LFDE's **professional gender equality index** was 90/100 (93/100 in 2022).





Happy@LFDE

The **Happy@LFDE** programme fosters the unique Echiquier spirit. Relaunched in 2022 with the support of new ambassadors, this in-house initiative organised various consultations in 2023. The resulting proposals were submitted to the Executive Committee and led to new initiatives implemented in 2023.

For example, employees now receive seasonal fruit baskets twice a month, participate in "inter-floor aperitifs," and enjoy "Convivality Lunches" aimed at increasing opportunities for interaction.

In 2023, 48 employees participated in these activities. Cultural invitations also multiplied, including visits to the newly restored Hôtel de la Marine and the Basquiat-Warhol exhibition at the Louis Vuitton Foundation.

Employee well-being is a key focus of **Happy@LFDE**. In 2023, massage sessions were offered to our employees in partnership with JOAM, a company that promotes the employment of people with disabilities.

Education for change

Sustainability training programmes

We believe that significant changes stem from individual involvement. That's why LFDE constantly raises awareness among its employees about major universal challenges, such as climate change and biodiversity protection, as well as sustainable finance topics. Each employee is tasked with **achieving an SRI objective during the year**, defined with their manager during the annual performance review.

Because we consider it our duty to be exemplary and set standards, we seek to surround ourselves with experts to nurture our teams' skills and pioneering spirit.

We continue to develop our expertise on **climate and biodiversity issues** to educate and train our ecosystem, thereby translating our CSR commitments into action.

With a dedicated budget, we offer our teams the opportunity to certify their knowledge through rigorous certifications, such as the **CFA ESG** and the AMF Sustainable Finance certificate.

In 2023, three employees obtained the CFA ESG certificate and 25 received the AMF Sustainable Finance certificate. This achievement, a testament to our credibility, signifies the deep-rooted commitment to our responsible investment approach.

In total, at the end of 2023:

2,300
hours of training provided

111
employees trained

19
employees holders of the CFA ESG certificate

38
employees holders of the AMF Sustainable Finance certificate

Climate & biodiversity, a priority

The ongoing training initiative on Finance-Climate topics, established by our Responsible Investment team in 2022, continued this year. **Climate Fresk workshops** were offered throughout the year. In 2023, 81 employees were trained through this educational workshop based on IPCC data, enabling them to understand the complexity of the issues and to take on the challenge of the climate emergency.

LFDE employees were also encouraged to take the MOOC "Biodiversity: Meeting the Challenge of Living Beings", developed by Engage, a B Corp certified company, and sponsored by LFDE. Accessible to everyone, this **MOOC** helps to decipher new complexities and emerging logics while inviting action. Among the experts involved in this citizen initiative are François Gemmene, IPCC member, Philippe Grandcolas, research director at CNRS, and Heïdi Sevestre, glaciologist.





Fostering team cohesion

An environment conducive to excellence and conviviality helps forge a unique spirit that is open to the world and maintains a forward-thinking approach. This is why LFDE is committed to fostering team cohesion and ensuring a high-quality work environment.



Team spirit

Because we believe in collective intelligence and the strength of teamwork, we create conditions that foster **creative collective dynamics**.

A gym, climbing wall in the greenhouse of our Parisian offices, and seminars tangibly reflect our commitment.

In 2023, our annual **collective seminar** took place in Le Touquet. It was a shared moment that combined team building with conviviality.

In addition, team seminars, including new Group employees, were organised throughout the year, to lay the foundations for our transformation and foster team spirit.

Our employees are also all invited to the major events we organise for our clients throughout the year, such as our Summer University or Les Rencontres du Climat et de la Biodiversité.

Federating events

Yoga sessions led by an experienced yoga teacher, and cross-fit sessions organised by one of our employees, are offered every week in the gym on



our Paris premises. After-work climbing sessions give everyone the chance to discover the joys of climbing, thanks to our climbing wall. Finally, **padel** and **table football** tournaments were also organised in 2023. Our **Book Club**, a freely accessible library in our Paris premises, brings together the "coup de cœur" books of our employees, as well as those recommended by guests at our various events. At the end of the year, the traditional **Children's Christmas** was organised on the theme of sport, in the lead-up to the Paris 2024 Olympic Games.

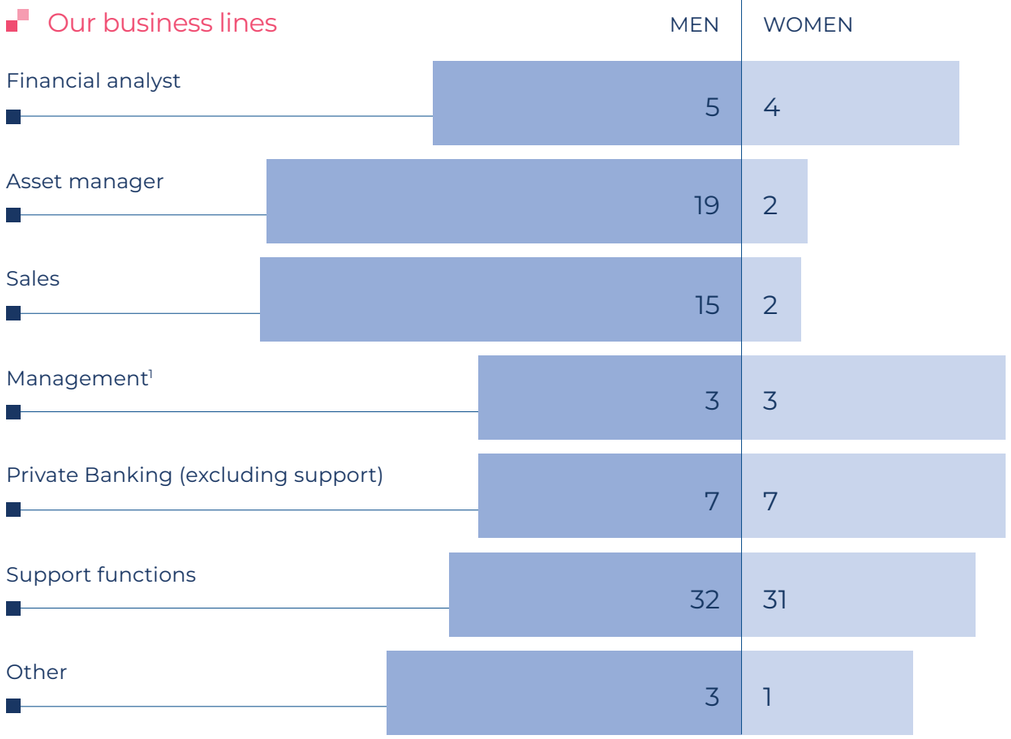


Our talents

Our employees



Our business lines



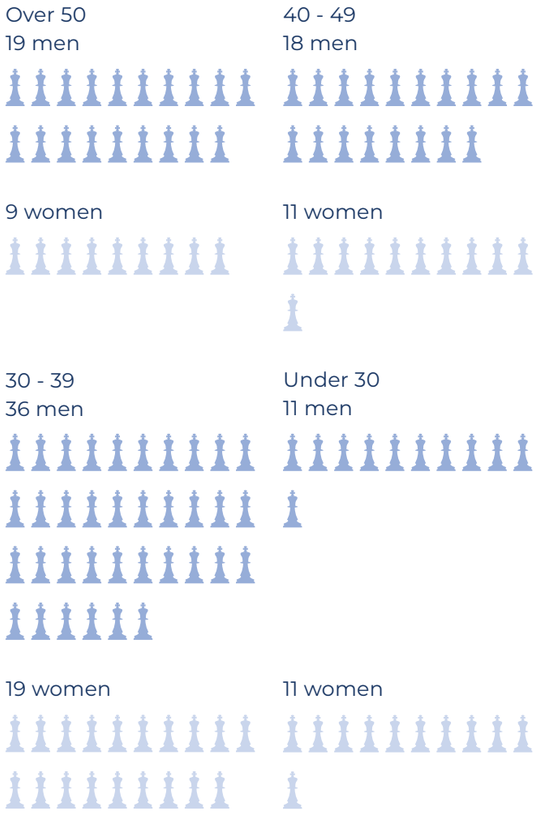
Employee status

132 managers · 99%

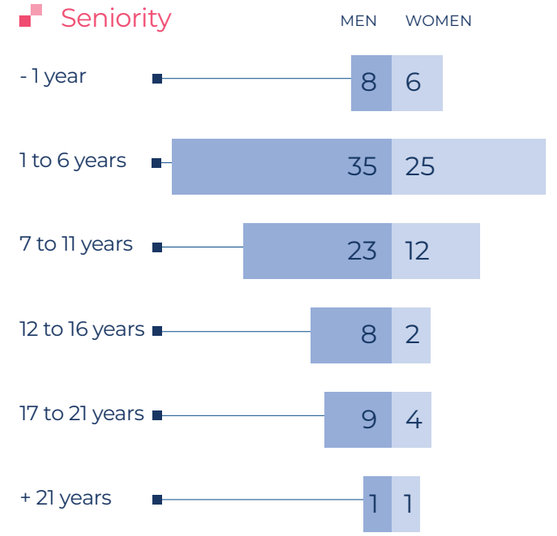
2 managers · 1%

1. Data as of 31/12/2023.

Age pyramid



Seniority



Employee movements

Years	Entries	Exits	Turnover
In 2023	16	24	14,10%
In 2022	12	11	8,20%
In 2021	16	11	9,90%
In 2020	15	17	11,60%

Absenteeism

Sickness	494 days
Maternity/Paternity leave	658 days
	1,152 days · 2.71%

Training

Hours of training	2 200
Number of employees	111
	83%

Staying in touch



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Intracommunity VAT number FR83 352 045 454 - Approved by A.M.F. number GP - 91004

All the funds mentioned in this report involve risks, in particular the risk of capital loss, discretionary management risk and, depending on the fund's investment strategy, interest rate risk, credit risk, equity risk, currency risk, the risk associated with investing in small and mid-cap equities and emerging markets risk.

For more information on the characteristics, risks and fees of these funds, please read the regulatory documents (prospectus available in English and French and KIID in the official languages of your country) available on our website www.lfde.com.

In addition, the decision to invest in the promoted funds should not be based solely on their non-financial approach, but should take into account all the other characteristics of the funds, as described in their prospectus.

With regard to impact investment, the investor's attention is drawn to the fact that his or her investment in the fund does not generate any direct impact on the environment and society, but that the fund seeks to select and invest in companies that meet the precise criteria defined in the management strategy.

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

This information and this document do not constitute investment advice, an investment proposal or an invitation to trade in the financial markets. It is provided on the basis of the best sources in our possession. The opinions expressed in this document correspond to LFDE's market expectations at the time of publication. They may change according to market conditions and LFDE cannot be held liable for them.

Investors or potential investors are informed that they can obtain a summary of their rights and also lodge a complaint in accordance with the procedure laid down by the management company. This information is available in the official language of the country or in English on the Regulatory Information page of the management company's website www.lfde.com.

La Financière de l'Échiquier, a public limited company with share capital of 10,047,500 euros, having its registered office at 53, avenue d'Iéna, 75116 PARIS. La Financière de l'Échiquier, registered under number 352 045 454 in the Paris Trade and Companies Register, is approved as a portfolio management company by the A.M.F. (Autorité des Marchés Financiers) under number GP 91-004.



LFDE