



PRIVATE RI REPORT

2020

PHITRUST

About this report

This report is an export of the individual Signatory organisation responses to the PRI Reporting Framework during the reporting period specified above. It shows your responses to all completed indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders. The PRI will **not publish** this report on its website. Instead, you will be able to access the public RI Transparency report of your organisation and that of other signatories on the PRI website.

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.

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OO 01.1 Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

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).

8

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

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

31/12/2019

OO 04.2 Indicate your total AUM at the end of your reporting year.

Not applicable as we are in the fund-raising process

OO 04.4 Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

OO 05.1 Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	0
Fixed income	0	10-50%
Private equity	<10%	0

Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Money market instruments	0	<10%
Other (1), specify	0	0
Other (2), specify	0	0

OO 06	Mandatory	Descriptive	General
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OO 06.1	Select how you would like to disclose your asset class mix.
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- as percentage breakdown
- as broad ranges

OO 06.3	Indicate whether your organisation has any off-balance sheet assets [Optional].
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- Yes
- No

OO 06.5	Indicate whether your organisation uses fiduciary managers.
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- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 07	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO 07.1	Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.
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Externally managed	0	SSA
	0	Corporate (financial)
	100	Corporate (non-financial)
	0	Securitised

OO 08	Mandatory to Report, Voluntary to Disclose	Peering	General
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OO 08.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds or investments.
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Asset class breakdown	Segregated mandate(s)	Pooled fund(s) or pooled investment(s)	Total of the asset class (each row adds up to 100%)
[d] Fixed income – Corporate (non-financial)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%

[a] Money market instruments	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%
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OO 09	Mandatory	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.		
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98	Developed Markets
2	Emerging Markets
0	Frontier Markets
0	Other Markets

OO 10	Mandatory	Gateway	General
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OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.		
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Listed equity – engagement	
<input checked="" type="checkbox"/>	We engage with companies on ESG factors via our staff, collaborations or service providers.
<input type="checkbox"/>	We do not engage directly and do not require external managers to engage with companies on ESG factors.
Listed equity – voting	
<input checked="" type="checkbox"/>	We cast our (proxy) votes directly or via dedicated voting providers
<input type="checkbox"/>	We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf
Fixed income Corporate (non-financial) – engagement	
<input type="checkbox"/>	We engage with companies on ESG factors via our staff, collaborations or service providers.
<input type="checkbox"/>	We require our external managers to engage with companies on ESG factors on our behalf.
<input checked="" type="checkbox"/>	We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.
	Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.
Fixed income Corporate (non-financial) is managed by Pictet Wealth Management (external mandate), which has its own ESG and engagement policies, and is also a PRI signatory since February 2018.	

OO 11	Mandatory	Gateway	General
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OO 11.1	Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).		
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Listed equity	
<input checked="" type="checkbox"/>	We address ESG incorporation.
<input type="checkbox"/>	We do not do ESG incorporation.
Private equity	
<input checked="" type="checkbox"/>	We address ESG incorporation.
<input type="checkbox"/>	We do not do ESG incorporation.
Cash	
<input type="checkbox"/>	We address ESG incorporation.
<input checked="" type="checkbox"/>	We do not do ESG incorporation.

OO 11.2	Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.		
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Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
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Fixed income - corporate (non-financial)	<table border="1"> <tr> <td data-bbox="368 91 517 174"></td> <td data-bbox="517 91 1396 174">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</td> </tr> <tr> <td data-bbox="368 174 517 331"> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation </td> <td data-bbox="517 174 1396 331"></td> </tr> </table>		Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation	
	Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes				
<input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation					
Money market instruments	<table border="1"> <tr> <td data-bbox="368 331 517 414"></td> <td data-bbox="517 331 1396 414">Money market instruments - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</td> </tr> <tr> <td data-bbox="368 414 517 566"> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation </td> <td data-bbox="517 414 1396 566"></td> </tr> </table>		Money market instruments - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation	
	Money market instruments - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes				
<input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation					

OO 11.3b If your organisation does not integrate ESG factors into investment decisions on your externally managed assets, explain why not.

One of our funds, the SICAV Patrimoine Active Investors, is concerned by externally managed mandates (Pictet Wealth Management). When this fund was created, the client had not expressed any requirements concerning ESG or Responsible Investment methodologies or screening. However, the private equity asset class is made through Phitrust Partenaires, which is specialised in social impact capital investment.

Phitrust Partenaires is a social investment firm that provides technical and financial support to small and medium-sized for-profit companies that create a positive social and environmental impact while pursuing financial sustainability and profitability. Phitrust Partenaires invests globally in a variety of sectors, with a particular focus on financing social businesses in Europe and West Africa. Phitrust Partenaires is a European Social Entrepreneurship Fund (EuSEF) and also has the "Entreprise Solidaire" accreditation and the Finansol label.

Phitrust Partenaires is committed to supporting closely each of the businesses run by social entrepreneurs in our investment portfolio. This support is provided by the Phitrust Partenaires team as well as by our investors who are mostly proven entrepreneurs. We therefore bring to our companies a strong added value in terms of management and development.

Phitrust supports social entrepreneurs who bring innovative solutions to current social or environmental issues. Depending on the desired social impact objectives, measurement criteria are defined with each entrepreneur at the initial stage of the investment. An annual follow-up of these criteria is conducted by the Phitrust team to analyse the performance impact of each project as well as that of the portfolio as a whole.

The targeted projects have a double goal: financial returns and social impact. They may be economically viable social enterprises with or without dividend distribution, co-operative companies or limited liability companies. Projects are then approved by the Investment Committee, composed of professionals with diversified backgrounds and a variety of complementary skills, who apply analytical methods stemming from traditional Venture Capital. Furthermore, Phitrust Partenaires provides long-term support to the social enterprises in its portfolio. The monitoring strategy relies on the involvement of the Investment Committee (IC) (which plays a key role in the management of portfolio investees) as well as on the quarterly reporting of financial results and activities, and an annual reporting on social impact. The IC members use their expertise and networks to ensure the sustainability of each project.

Phitrust Partenaires has developed a pragmatic approach, on a case by case basis, to closely analyse the impact of each activity. For each investee, we define at the moment of the first investment specific quantitative indicators that reflect the social and environmental impact as well as the governance of the company. These key performance indicators are chosen alongside the entrepreneur, who agrees to report annually as to their evolution.

A 5 year objective is then defined for each indicator, allowing us to measure the performance throughout our investment period. An annual assessment for each investee is thus undertaken in relation to its social and environmental impact and governance, which is completed by a qualitative analysis. This tailored approach allows us to better guide our non-financial support and to promote, in the case of a reinvestment, investees that have improved their impact.

The overall social and environmental performance of the portfolio is assessed each year, based on the individual reports provided by each investee, enabling us to follow the evolution of this performance. This monitoring allows us to us to readjust – if needed – our investment strategy, which emphasizes social impact objectives while also requiring economic viability.

The assessment of the social and environmental impact enables us to identify a "social and environmental return on investment" for each Phitrust Partenaires investee which, alongside an analysis of each investee's financial performance, enables us to have an overall assessment of the strategies being implemented across the portfolio.

In addition, Phitrust Partenaires has created, in partnership with the European Investment Fund, a venture capital firm dedicated to impact investing in Europe. The strategy implemented is identical to that of Phitrust Partenaires but aimed at companies in the European Union. Phitrust Partenaires Europe was certified European Social Entrepreneurship Fund (EuSEF) in July 2017. This new investment vehicle will support the many projects identified today in Europe that seek to respond to social emergencies and develop partnerships initiated with social funds in Belgium, Spain, Italy and Northern Europe. Numerous exchanges with the EIF enabled us to refine the structuring of our investment strategy and implement a new project impact measurement methodology.

Phitrust Asia is an impact investment company focusing on South East Asia, a region where social entrepreneurship is emerging and developing rapidly. Building many partnerships and targeting two high growth and large impact sectors, healthy food and access to energy, Phitrust Asia efficiently contribute to that development in countries like Indonesia, Cambodia, Vietnam, Thailand and Myanmar, and make investments in high potential enterprises in terms of social and environmental impact, financial sustainability and profitability. Phitrust Asia favors co-investments and partnerships that contribute to the reinforcement of the local ecosystem and make possible an efficient advisory support. We are committed to supporting closely each of the businesses run by social entrepreneurs in our investment portfolio. This support is provided by Phitrust Asia team and by members of its Investment Committee. We therefore bring to our companies a strong added value in terms of management and development.

Phitrust Asia supports social entrepreneurs who bring innovative solutions to major social or environmental issues and contributes to at least 3 Sustainable Development Goals (SDG). Depending on the identified social impact objectives, measurement indicators are defined with each entrepreneur at the initial stage of the investment. An annual follow-up of these indicators is conducted by Phitrust Asia to assess the impact performance of each company as well as that of the portfolio as a whole.

OO 12	Mandatory	Gateway	General
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OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

	Core modules
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- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers	
Direct - Listed Equity incorporation	
<input checked="" type="checkbox"/>	Listed Equity incorporation
Direct - Listed Equity active ownership	
<input checked="" type="checkbox"/>	Engagements
<input checked="" type="checkbox"/>	(Proxy) voting
Direct - Other asset classes with dedicated modules	
<input type="checkbox"/>	Private Equity
Closing module	
<input checked="" type="checkbox"/>	Closing module

OO LE 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
5	Passive
90	Active - quantitative (quant)
5	Active - fundamental and active - other

OO LE 02	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO LE 02.1	For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.
Passive strategies	
<input type="radio"/>	Yes
<input checked="" type="radio"/>	No

OO SAM 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO SAM 01.1	Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and, active fundamental and other active strategies.	
Fixed income - Corporate (non-financial)	0	Passive
	0	Active - quantitative (quant)
	100	Active - fundamental and active - other

OO PE 01	Mandatory	Descriptive	General
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OO PE 01.1	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.
Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%

Growth capital	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
(Leveraged) buy-out	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (1)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (2)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total 100%	

OO PE 02	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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OO PE 02.1 Indicate the level of ownership you typically hold in your private equity investments.

- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

OO Checks			Checks
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If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

✓ Yes

SG 01.2 Indicate the components/types and coverage of your policy.

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach	
<input checked="" type="checkbox"/> Formalised guidelines on environmental factors	
<input checked="" type="checkbox"/> Formalised guidelines on social factors	
<input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors	
<input type="checkbox"/> Fiduciary (or equivalent) duties	<input type="radio"/> Applicable policies cover all AUM
<input type="checkbox"/> Asset class-specific RI guidelines	<input checked="" type="radio"/> Applicable policies cover a majority of AUM
<input type="checkbox"/> Sector specific RI guidelines	<input type="radio"/> Applicable policies cover a minority of AUM
<input checked="" type="checkbox"/> Screening / exclusions policy	
<input type="checkbox"/> Other, specify (1)	
<input type="checkbox"/> Other, specify(2)	

SG 01.3 Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4 Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Phitrust's investment strategy relies on a charter based not only on high ethical standards but also on ESG principles:

1. **Quality of management:** commitment to the company, reliable communication with shareholders
2. **High quality:** clients' expectations of quality (products) and environmental expectations (production methods)
3. **Social-mindedness:** personnel's company involvement and commitment
4. **Ethics and transparency:** transparency and disclosure towards investors and wider community.

Our ESG investment principles, on which our engagement policy relies, are the following :

1. ENVIRONMENT

- Consideration of environmental issues within the corporate strategy
- Environmental reporting: communication of consumption thresholds of electricity/water and measurement of CO₂/waste production
- Independent external auditing...

2. SOCIAL

- Taking social issues into account in the company's development strategy
- Safety at work
- Well-being of employees
- Development of relations with stakeholders (suppliers, customers, civil community, etc.)
- The development of solidary projects...

3. GOVERNANCE

- The rights of shareholders in general shareholders meetings: based on the principle of "one share – one vote"
- The management of corporate or supervisory boards: separation of powers, independence of the board and respect for the rights of minorities
- The association of directors and employees in the capital: transparency and fairness of remuneration...

Further details <http://www.phitrust.com/en/shareholder-impact/principles-of-engagement/>

SG 01.5 Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Phitrust Active Investors is a shareholder engagement Asset Manager invested in French and European securities with the aim of outperforming the

market index (dividends reinvested) subject to a maximum annual tracking error specific to each fund.

Phitrust Active Investors France is a shareholder engagement investment fund invested in French securities (but also some European securities listed on the CAC40 index, such as AIRBUS, ArcelorMittal, or STMicroelectronics) with the aim of outperforming the CAC40 index (dividends reinvested) subject to a maximum annual tracking error of 4%. A quantitative methodology for processing extra-financial information obtained as part of shareholder engagement initiatives is applied.

The open-end investment company Phitrust Active Investors France is said to have “extended index management” and will thus make use of the exemptions provided for by the regulations. The open-end investment company is typically invested in equities included in the CAC40 index. The portfolio consists exclusively of shares of European companies listed in Paris. The purpose of the open-end investment company is to replicate the Index by purchasing securities in similar proportions and with constant monitoring of changes in the composition of the reference index.

The portfolio is made up of at least 90% of Eurozone equities. The UCITS (open-end investment company) will therefore apply its quantitative management methodology for extra-financial information processing by respecting an annual tracking error of up to 4% or 20% of the volatility of the CAC40 index. The processing of this information will be done in three steps: taking into account the main governance events of the companies of the CAC40 index, the quantification and analysis of the impact of these governance events, and a strategic allocation that leads the over/underweighting of each security of the open-end investment company and the selection of an optimal portfolio.

Studies have shown that progress in governance ultimately leads to better valuation of companies. Conversely, failures in the governance within large European companies have weighed heavily on their market valuation. The open-end investment company therefore seeks to identify the progress in governance and the initiatives that could be taken with portfolio companies to improve their governance and ultimately their market valuation.

The open-end investment company has defined its own governance referential based in particular on the principles adopted by large institutional investors and the majority of published standards. A Technical Committee comprising the manager and the proxy advisory firm Proxinvest proposes to the Board of Directors of the open-end investment company the governance improvement initiatives that could be implemented with the portfolio companies. The Board of Directors of the open-end investment company decides on the choice of these initiatives in order to maintain a constructive and lasting dialogue with the directors of these companies.

Phitrust Active Investors Europe is a mutual fund for shareholder engagement focused on impact. Its objective is to outperform the DJ Eurostoxx index (dividends reinvested) by a selection of European listed companies seeking a positive societal impact thanks to an innovative, sustainable and responsible strategy in the environmental and social fields, as well as governance adapted to these issues. This objective involves an analysis of companies’ activities, their commitment, the assessment of key ESG criteria and dialogue to improve the societal impact of companies in the portfolio.

The Phitrust Active Investors Europe Fund invests in equities of European listed companies of small, medium and large market capitalisation. The portfolio is made up of at least 90% of Eurozone equities. The Fund’s objective is to outperform the DJ Eurostoxx dividends reinvested index by selecting companies seeking a positive environmental and societal impact.

The methodology for quantitative management of extra-financial information processing is done in three stages:

1. the determination of the key impact indicators for the range of companies,
2. the analysis and quantification of these impact criteria,
3. a strategic allocation that leads to the selection of an optimal portfolio based on ESG research and social impact analysis.

The selected companies must adhere to key impact criteria, evidence of their commitment to being a strong positive contributor to people and the planet, such as membership in the UN Global Compact, a good appreciation of their environmental policy and supply chain through the Carbon Disclosure Project (CDP), societal impact initiatives targeted at disadvantaged populations, etc. The companies must also commit to the United Nations Sustainable Development Goals (SDGs) and their activities must play a significant role.

Monitoring these impact indicators and controversial issues within the ESG environmental, social and governance areas allows us to have a constructive dialogue with the companies to whom we propose ESG improvements that will have a real impact on their sustainability, the creation of value and therefore ultimately on the rise of their share price.

No

SG 01.6 Additional information [Optional].

Phitrust exercises its active ownership policy through its the Active Investors UCITS (France and Europe) : it maintains dialogue with listed companies (belonging to the CAC 40 or Eurostoxx indices), participates in Annual General Meetings and exercises its voting rights.

SG 01 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation’s investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

For over 15 years, Phitrust has tried to prove that it is possible to reconcile financial performance with social and/or environmental impact, by favouring dialogue with large listed companies and supporting unlisted projects led by entrepreneurs.

What seemed then a utopian project has today become a concrete reality. While many players are seizing impact investing, we are one of the few French Asset Managers that can clearly demonstrate the success of maintaining dialogue with some large listed companies, through shareholder engagement and in Annual General Meetings, as well as promoting unlisted social enterprises, through financing and support, while still meeting our financial performance targets.

Today, in order to face the challenges of climate change and global warming, as well as demographic change, and a complex global & multi-dimensional financial system, we need more responsible investors who take real and concrete initiatives. We need to guide all the companies through a change in culture so that they may integrate the environmental impact and the social impact of their decisions in their strategic and operational decisions. Some Asset Managers have integrated this, and we try to identify them; others are not doing it yet, or are making promises, but in reality are doing very little. Phitrust is convinced that it is possible as an investor to lead them along this path that will be long and fraught, but so rewarding for employees, stakeholders and shareholders.

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

- Yes
- No

Describe why your organisation has not yet assessed the likelihood and impact of climate risks

Climate risks are difficult to evaluate as the planet is difficult to modelize. Many of the natural disasters that we have been confronted to in the last 20 years had not been modelized as they have intensified. For example, forest fires a becoming a global risk, but a difficult to evaluate from a financial point of view.

SG 01.8 CC Indicate whether the organisation publicly supports the TCFD?

- Yes
- No

Explain the rationale

We believe that the work and recommendations of the TCFD can help companies understand what financial markets want from disclosure in order to measure and respond to climate change risks. However, being a relatively small asset-management company, we do not publicly support the TCFD directly, but indirectly via the Swiss Proxy agency, ETHOS, which is part of Phitrust's shareholder engagement and AGM voting network. Ethos Fund publicly supports TCFD.

Ethos is composed of institutional investors whose purpose is to promote the consideration of sustainable development principles and corporate governance best practice in investment activities). Ethos regularly supports Phitrust in its shareholder engagement initiatives in Europe.

Ethos Foundation and the members of the Ethos Engagement Pool International are founding signatories of the Climate Action 100+ initiative, a five-year, investor-led initiative supported by 225 investors across the globe. Climate Action 100+ will engage the world's 100 largest corporate greenhouse gas emitters to curb emissions across their value chains, strengthen climate-related financial disclosures, and improve the governance of climate-related risks that may affect companies.

SG 01.9 CC Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes
- No

Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.

Phitrust's active shareholder engagement campaign in 2018 concerning the Science Based Targets initiative, has initiated the thorough analysis of climate-related risks and opportunities in its investment policy and shareholder engagement, as a long-term strategy. Phitrust will thus continue to refer the the SBT and follow the results on its investments. Many companies listed on the CAC40 index have answered to Phitrust's written questions that they were still working on a specific methodology applicable to their sector. However, some companies still seem resistant to this approach, especially in the oil & gas industry, as they are highly emitting industrial sectors. Therefore, Phitrust regularly holds meetings with executive members of companies that are not yet committed to the Science Based Targets initiative in order to find out if any progress has been made. Phitrust keeps track of those companies that have set targets in order to analyse the efforts made by these companies in order to achieve their targets, and if they think they are too easily achievable, or on the other hand, too ambitious.

SG 1.10 CC Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

SG 02 Mandatory Core Assessed PRI 6

SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL
<http://www.phitrust.com/en/shareholder-impact/our-charter/>
- Attachment (will be made public)

- Formalised guidelines on environmental factors

URL/Attachment

- URL
<http://www.phitrust.com/en/shareholder-impact/principles-of-engagement/>
- Attachment (will be made public)

- Formalised guidelines on social factors

URL/Attachment

- URL
<http://www.phitrust.com/en/shareholder-impact/principles-of-engagement/>
- Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> URL http://www.phitrust.com/en/shareholder-impact/principles-of-engagement/ <input type="checkbox"/> Attachment (will be made public)

Screening / exclusions policy

URL/Attachment
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> URL http://www.phitrustactiveinvestors.com/7114-investment-strategy-eai <input type="checkbox"/> Attachment (will be made public)

Engagement policy

URL/Attachment
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> URL http://www.phitrust.com/en/shareholder-impact/engagement-methodology/ <input type="checkbox"/> Attachment (will be made public)

(Proxy) voting policy

URL/Attachment
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> URL https://www.phitrust.com/en/shareholder-impact/ <input type="checkbox"/> Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> URL https://www.phitrust.com/en/shareholder-impact/ <input type="checkbox"/> Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> URL https://www.phitrust.com/en/shareholder-impact/products/phitrust-active-investors-france/ <input type="checkbox"/> Attachment

Time horizon of your investment

URL/Attachment
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> URL https://www.phitrust.com/en/shareholder-impact/ <input type="checkbox"/> Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> URL https://www.phitrust.com/en/shareholder-impact/campaigns/ <input type="checkbox"/> Attachment

ESG incorporation approaches

URL/Attachment
<ul style="list-style-type: none"> <input type="checkbox"/> URL <input checked="" type="checkbox"/> Attachment

Active ownership approaches

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.phitrust.com/en/shareholder-impact/campaigns/
<input type="checkbox"/> Attachment

Reporting

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.phitrust.com/en/shareholder-impact/products/phitrust-active-investors-france/#characteristics
<input type="checkbox"/> Attachment

Climate change

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.phitrust.com/en/phitrust-encourages-cac-40-companies-join-science-base-targets-initiative/
<input type="checkbox"/> Attachment

We do not publicly disclose any investment policy components

SG 02.3	Additional information [Optional].
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We also publicly provide a reporting on the engagement campaigns, materialised by the resolutions filled by Phitrust, most of which are on Governance and Environmental subjects.

Our organisation's overall investment strategy and Climate-ESG approach is also available on the AFG Transparency Code of each of our funds (in French).
<https://www.phitrust.com/en/shareholder-impact/campaigns/>

Editorials, on ESG issues, are also publicly available on our website : <https://www.phitrust.com/en/news/#all>

SG 03	Mandatory	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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In order to avoid any conflict of interest, it is stated in the rules of procedure in our funds that a shareholder of our funds can express a vote against public engagement initiative. In that case, he will not participate directly to this initiative.

As an independant asset management company, PhiTrust does not encounter conflict of interests.

Phitrust has adopted a charter based on high ethical standards. Just as any responsible publically issued company, Phitrust must set an example both in terms of investment selection criteria and policy. Adherence to and respect of our guiding principles ensure that our mission is carried out with the utmost attention and in full transparency to inform more widely of our ethical standards.

Phitrust's independent capital holdings ensure that our counselling is carried out in the best interests of our clients and is free of external influence. Phitrust always engages directly with company management prior to any investment and actively takes part in company AGMs. Phitrust is committed to total transparency vis-à-vis its clients and partners.

No

SG 04	Voluntary	Descriptive	General
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SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.
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Yes

No

SG 04.2	Describe your process on managing incidents
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On a daily basis, all ESG information including incidents and controversies on our portfolio companies is screened by the SRI / ESG analysts and Portfolio Managers, and reported during investment committee, as well as on the publicly available monthly reporting factsheets of the funds.

If a major negative event occurs (for example, a natural disaster, a political event such as the Brexit, or a specific company incident/controversy), a meeting is held in order to review financial and extra-financial risks in the short term and long term. Political and geographical risks are also regularly reviewed during investment committees and Board meetings. Natural disaster risks can also be discussed when they have a direct impact on securities in the funds.

The ESG-Climate incidents are used to build targeted shareholder engagements actions (the controversial subjects are questioned for instance in the letters sent each year to the Chairman of the Board of Directors of companies of our portfolios). Monitoring these impact indicators and controversial issues within the ESG environmental, social and governance areas allows us to have a constructive dialogue with the companies to whom we propose ESG improvements that will have a real impact on their sustainability, the creation of value and therefore ultimately on the rise of their share price.

Sometimes, major negative events or controversies can lead to active shareholder engagement campaigns, and ultimately to the filing of a resolution at the Annual General Meeting. Phitrust is the only asset manager to have filed 45 draft resolutions in France in 20 years, since 2003. Phitrust is therefore recognised as one of the pioneers of shareholder engagement in France and in Europe. We act and engage directly with the Board of Directors and

Executive Management of CAC40 companies in order to change certain governance practices that appear to create imbalances or inequities for their minority shareholders and all stakeholders.

We engage publicly via our Press Releases and using the Press in order to make our opinions widely heard by the market and investors, and in order to have more influence on the management of companies in the independence of consultancy, executive compensation, environmental and social policies, corruption scandals etc.

During Annual General Meetings, oral questions, written questions, and sometimes the filing of a resolution, which is not an act of defiance towards the directors, are some of the ways Phitrust tries to improve ESG practices within firms. It is important to note that the resolution filing is intended to convince the Executive Management that the subject is considered to be very important by the shareholders presenting the resolution and to assess whether the other shareholders support the proposed resolution. Even in a company controlled by a majority shareholder, a large voting score in favour of a resolution can show that many shareholders want progress or changes concerning a specific subject, such as the remuneration policy of executive members during a social crisis.

SG 05	Mandatory	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2	Additional information. [Optional]
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Phitrust Active Investors France (SICAV) Board of Directors meets at least on a quarterly basis in order to define the strategy and engagement policies in preparation of all the Annual General Meetings on the CAC40 index. The global objectives for the responsible investment activities are also discussed and debated. Exceptional meetings can also be held if ever new issues arise and could lead to a shareholder engagement campaign needing the approval of the Board of Directors.

In addition, the technical committee of the SICAV, organised on a monthly basis, enables the fund managers and the ESG/SRI analysts to discuss with the Proxy advisory, Proxinvest, who Chairs the technical committee, on ESG subjects that are important to integrate into the engagement and investment decisions.

Since 2003, Phitrust has partnered with Proxinvest for all of its active shareholder engagement campaigns. Proxinvest provides us with high quality independent research on European listed equities. Proxinvest is an independent financial and governance research company specializing in proxy voting advisory services. Proxinvest provides its services exclusively to investors, large and small, using only methods that uphold the interest of all shareholders. Proxinvest has been a pioneer of good corporate governance in France and has grown into a recognised expert in the field. Proxinvest is independently-owned and only works for investors: Proxinvest does not provide consulting services to the companies it covers, mitigating related risks to its clients and ensuring the independence of our analysis. As a result Proxinvest is able to take a robust, independent, engaged and unconflicted view of the companies in which our clients invest.

Proxinvest is also a founding member of the International Corporate Governance Network (ICGN), an organisation founded in 1995 that represents investors, companies, financial intermediaries, academics and others interested in the development of corporate governance practices worldwide.

As the sole independent French proxy voting advisory company, Proxinvest provides no solicited rating and no advisory Corporate services. Its investor clients are thus assured of an impartial examination of the issues. Each year, after consulting with investors in autumn, and following the comment of its Steering Committee Proxinvest updates its voting guidelines for the following year. Voting guidelines are updated at year-end and are shared with regulators and issuers.

SG 06	Voluntary	Descriptive	General
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SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.
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	Responsible investment processes
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- Provide training on ESG incorporation
- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation

	Key performance indicator
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Number of initiatives communicated. Number of written questions asked to the Board of Directors at AGMs. Number of resolutions filed at AGMs since 2003.

	Progress achieved
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Since 2003, Phitrust is the only asset manager to have filed 45 draft resolutions in France on a variety of ESG issues, is recognised as one of the pioneers of shareholder engagement in Europe. We act with the directors of CAC40 companies to change certain governance practices that appear to create imbalances or inequities for their minority shareholders and all stakeholders.

Phitrust's website, renewed in 2018, provides a better communication tool for shareholder engagement campaigns and improves the communication on impact and ESG subjects.

<https://www.phitrust.com/en/shareholder-impact/campaigns/>

Phitrust also regularly uses the UN PRI Collaboration Platform in order to make public its campaigns and federate other active shareholders willing to join engagement initiatives such as the Science Based Targets Initiative or the co-filing of resolutions.

- Improved engagement to encourage change with regards to management of ESG issues

	Key performance indicator
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Number of filed resolutions at the annual general meetings, as well as written questions to the board of directors of CAC40 index companies.

Progress achieved

Each year, Phitrust sends at least one letter with specific ESG issues to the Chairman of the Board of all 40 companies a part of the CAC40 index in order to address our concerns discussed. We received 11 written answers and in addition, we had several meetings with the CEOs or Chairman of the Board, enabling a constructive dialogue on the ESG issues addressed in our letter.

Finally, as a part of our annual active shareholder engagement campaign, we regularly address written questions to the Board of Directors certain companies of the CAC40 index, in order to receive public answers during the AGM.

- Improved ESG incorporation into investment decision making processes

Key performance indicator

Number of initiatives and ESG campaigns led during the year.

Progress achieved

While attending physically at most of the Annual General Meetings of CAC40 index companies, we have noticed that the Executive Management take in consideration the points we have made in our letters and during our meetings. Companies regularly thank Phitrust for the challenging questions made in its letters or written questions to the Board of Directors.

For the FCP Phitrust Active Investors Europe, we have enlarged our initial universe (to lower Cap companies), by considering new qualitative impact indicators, such as the participation in the Science Based Targets initiative (SBTi), as well as the CDP score (ex-Carbon Disclosure Project) and a special focus on the CDP A-list. Other initiatives such as the RE100 (Renewable Energy 100 companies), Clean 200 (Corporate Knights). However, these impact indicators are mainly environmental, therefore, we have been researching more social initiatives, such as positive social impact activities, including Bottom of the pyramid programmes or (sustainable foods & agricultural industry, nutrition, health, wellbeing), along with social and impact indicators.

We have also analyzed specific impact indicators on targeted companies, followed by meetings with executive directors, which has helped us in our research & analysis of these companies in order to integrate them in our fund.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors

Key performance indicator

Long-term financial performance relative to the benchmark index

Progress achieved

In the long-term, the progress achieved for the SICAV Phitrust Active Investors France, the performance over a 7 year period from 31/12/2010 until 29/12/2017 is +67.37%, slightly outperforming its reference index (benchmark as an indicator) the CAC40 (+67,17). This positive performance on 7 year period is confirmed on the longer term period, bringing more confidence to our methodology and our conviction that ESG analysis brings additional financial performance.

Concerning the FCP Phitrust Active Investors Europe, the active ESG & impact selection process has been in place only since April 2016. Therefore, we do not yet have enough track record in order to gauge the long-term financial value creation of the portfolio.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics

Key performance indicator

Good governance and reactivity to our engagement campaign

Progress achieved

For the SICAV Phitrust Active Investors France, we have continued to overweight in the portfolio, those companies of the CAC40 index that we consider having a good governance and a good reactivity to our annual shareholder engagement campaign, by either inviting us to a one on one meeting, or answering our written letter, and sometimes by proving a thorough answer to the written questions asked to the board of directors, rather than simply proving an answer linked to the Annual Report.

Inversely, we have underweighted those companies of the CAC40 index ignoring our letters and our reminders concerning our ESG concerns, sometimes leading to shareholder initiatives at the Annual General Meeting, such as a filed resolution or written questions to the board of directors.

- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio

Key performance indicator

Number of companies having joined the Science Based Targets initiative

Progress achieved
We have not set carbon reduction targets upfront for the companies in our portfolios. However, in our annual shareholder engagement campaign, we have asked the companies in our portfolios to be more transparent on this subject, by asking them to join the Science Based Targets initiative, or for those who had already signed, to provide information to shareholders concerning their targets to lower their greenhouse gas (GHG) emissions. We believe that companies should set themselves their own targets, in accordance with its industry.
<input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify (2) <input type="checkbox"/> Other, specify (3) <input type="checkbox"/> None of the above

Other activities				
<input checked="" type="checkbox"/> Joining and/or participation in RI initiatives				
<table border="1"> <tr> <th>Key performance indicator</th> </tr> <tr> <td>Filed resolutions</td> </tr> <tr> <th>Progress achieved</th> </tr> <tr> <td>As mentioned previously, we have filed a resolution at the AGM of AccorHotels in April 2017 in order to change the bylaws of the company and respect the "one share - one vote" principle. https://www.phitrust.com/en/shareholder-impact/campaigns/#accorhotels-2017</td> </tr> </table>	Key performance indicator	Filed resolutions	Progress achieved	As mentioned previously, we have filed a resolution at the AGM of AccorHotels in April 2017 in order to change the bylaws of the company and respect the "one share - one vote" principle. https://www.phitrust.com/en/shareholder-impact/campaigns/#accorhotels-2017
Key performance indicator				
Filed resolutions				
Progress achieved				
As mentioned previously, we have filed a resolution at the AGM of AccorHotels in April 2017 in order to change the bylaws of the company and respect the "one share - one vote" principle. https://www.phitrust.com/en/shareholder-impact/campaigns/#accorhotels-2017				
<input checked="" type="checkbox"/> Encouraging others to join a RI initiative				
<table border="1"> <tr> <th>Key performance indicator</th> </tr> <tr> <td>Number of Coalition members</td> </tr> <tr> <th>Progress achieved</th> </tr> <tr> <td> <p>Phitrust had filed the AccorHotel Resolution A at the AGM, but needed the support of international investment managers in order to file this resolution. Therefore, Phitrust used the PRI platform in order to call international asset managers to co-file the resolution with Phitrust and bring us the 0.5% of Accor's capital in equity, required by french law, to publish the resolution at the AGM's agenda. Many PRI signatory members have joined Phitrust's initiative.</p> <p>This campaign was a great success as Phitrust obtained more than 2% of Accor's capital in order to file the resolution. At the AGM, the resolution obtained a score of 54%, which showed a lot of support in favour of our initiative. However, two thirds of the votes were needed in order for this Resolution to pass.</p> <p>The French and International Press also helped to mediatize this initiative.</p> <p>https://www.phitrust.com/en/shareholder-impact/campaigns/#accorhotels-2017</p> </td> </tr> </table>	Key performance indicator	Number of Coalition members	Progress achieved	<p>Phitrust had filed the AccorHotel Resolution A at the AGM, but needed the support of international investment managers in order to file this resolution. Therefore, Phitrust used the PRI platform in order to call international asset managers to co-file the resolution with Phitrust and bring us the 0.5% of Accor's capital in equity, required by french law, to publish the resolution at the AGM's agenda. Many PRI signatory members have joined Phitrust's initiative.</p> <p>This campaign was a great success as Phitrust obtained more than 2% of Accor's capital in order to file the resolution. At the AGM, the resolution obtained a score of 54%, which showed a lot of support in favour of our initiative. However, two thirds of the votes were needed in order for this Resolution to pass.</p> <p>The French and International Press also helped to mediatize this initiative.</p> <p>https://www.phitrust.com/en/shareholder-impact/campaigns/#accorhotels-2017</p>
Key performance indicator				
Number of Coalition members				
Progress achieved				
<p>Phitrust had filed the AccorHotel Resolution A at the AGM, but needed the support of international investment managers in order to file this resolution. Therefore, Phitrust used the PRI platform in order to call international asset managers to co-file the resolution with Phitrust and bring us the 0.5% of Accor's capital in equity, required by french law, to publish the resolution at the AGM's agenda. Many PRI signatory members have joined Phitrust's initiative.</p> <p>This campaign was a great success as Phitrust obtained more than 2% of Accor's capital in order to file the resolution. At the AGM, the resolution obtained a score of 54%, which showed a lot of support in favour of our initiative. However, two thirds of the votes were needed in order for this Resolution to pass.</p> <p>The French and International Press also helped to mediatize this initiative.</p> <p>https://www.phitrust.com/en/shareholder-impact/campaigns/#accorhotels-2017</p>				
<input type="checkbox"/> Documentation of best practice case studies <input type="checkbox"/> Using case studies to demonstrate engagement and ESG incorporation to clients <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify (2) <input type="checkbox"/> Other, specify (3) <input type="checkbox"/> None of the above				

SG 07	Mandatory	Core Assessed	General
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SG 07.1 Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles						
<input checked="" type="checkbox"/> Board members or trustees						
<input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment						
<input checked="" type="checkbox"/> Internal Roles (triggers other options)						
<table border="1"> <tr> <th>Select from the below internal roles</th> </tr> <tr> <td> <input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee </td> </tr> <tr> <td> <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment </td> </tr> <tr> <td> <input type="checkbox"/> Other Chief-level staff or head of department, specify </td> </tr> <tr> <td> <input checked="" type="checkbox"/> Portfolio managers </td> </tr> <tr> <td> <input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment </td> </tr> </table>	Select from the below internal roles	<input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee	<input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment	<input type="checkbox"/> Other Chief-level staff or head of department, specify	<input checked="" type="checkbox"/> Portfolio managers	<input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment
Select from the below internal roles						
<input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee						
<input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment <input type="checkbox"/> No oversight/accountability or implementation responsibility for responsible investment						
<input type="checkbox"/> Other Chief-level staff or head of department, specify						
<input checked="" type="checkbox"/> Portfolio managers						
<input checked="" type="checkbox"/> Oversight/accountability for responsible investment <input checked="" type="checkbox"/> Implementation of responsible investment						

- No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

SG 07.2 For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The CEO and the senior fund managers, as well as the ESG work together in order to assess all of the companies listed on the CAC40 index based on financial and extra-financial ESG criteria, such as controversies or changes in governance and the company's strategy. Their recommendations are discussed and implemented in the portfolios after the investment committee.

The quantitative portfolio manager then applies quantitative methodologies based on mathematical models that include ESG factors (especially specific governance events). This quantitative model enables to favor companies with good governance and reactivity scores, which allows the investment committee, to which the Managing Director belongs, to overweight those companies with a good governance and reactivity and underweight those who are less reactive to our engagement campaigns.

The ESG analyst screens all information sources for environmental, social and governance data that could concern all the companies in the portfolios on a daily basis and writes a monthly and annual report. The ESG analyst also attends all investment committees and reports on significant events, which are relevant for the performance of the portfolios.

The external ESG consultant provides analysis of the French and European SRI / ESG markets and reports innovative ESG & impact methodologies.

SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

5

SG 07 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees	<input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues
Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee	<input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues
Portfolio managers	<input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues
Investment analysts	<input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues
Dedicated responsible investment staff	<input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues

No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Board members execute their responsibilities by assisting all board meetings and by providing their experience and feedback on climate related subjects.

The portfolio managers and ESG analysts participate in the preparation and implementation of the annual shareholder engagement campaign.

As during the previous years, letters have been written to the Chairman of the Board of all 40 of the CAC40 index companies, including those located outside of France (Headquarters located in the UK, Netherlands, Switzerland...) to explain why they have not yet signed and committed to the Science Based Targets initiative, or for those who have signed and sometimes have "targets set", to explain what they have learned from this experience and what they expect to further improve in order to continue to reduce their Greenhouse Gas (GHG) emissions.

Phitrust, along with the investors of the Phitrust Active Investors France fund, has sent written questions to CARREFOUR on the CAC40 index in preparation of their 2018 Annual General Meetings, encouraging the companies' participation in the Science Based Targets initiative.

This environmental campaign was approved by the Board of Directors provided with the upstream research, and was then presented the results of this campaign in order to discuss how to continue with this initiative. Phitrust does not lead any public shareholder engagement campaigns without the approval of its Board Members.

SG 07.7 CC For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

Climate related issues are evaluated individually for each company in the portfolio on the CAC40 index, especially with the adherence to the Science Based Targets initiative. Each company sets a time horizon for its climate targets, as well as specific quantitative targets. Extra-financial targets such as GHG emissions reduction targets and CO2 emissions reduction targets are often integrated in executive pay proposed to the shareholder's vote at the Annual General Meeting in France each year.

SG 07.8 CC Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other
- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

SG 08	Voluntary	Additional Assessed	General
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SG 08.1 Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives

- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

SG 08.3 Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

Phitrust is an Investment Manager that has since 2003, focused on the development of a responsible investment strategy around the three ESG pillars:

- promoting ESG best practices (environment, social, governance) within listed companies through dialogue with minority shareholders.
- analysing, financing and supporting projects with a social impact. The investment company Phitrust Partenaires and the Phitrust Endowment Fund for social innovation have been developing this approach since 2006;
- financing innovative companies seeking to respond to a social and / or environmental issue.

Responsible investment knowledge and expertise are thus naturally included into performance management and reward of fund managers and ESG analyst.

Phitrust builds its action following a guiding principle: *give purpose to your investments*. Phitrust is a pioneer in shareholder engagement and one of the leading private players in France in financing and supporting business projects aimed at providing a solution to a societal challenge.

For over 15 years, Phitrust has tried to prove that it is possible to reconcile financial performance with social and/or environmental impact, by favouring dialogue with large listed companies and supporting unlisted projects led by entrepreneurs. While many players are seizing impact investing. We are one of the few that can clearly demonstrate the success of maintaining dialogue with some large listed companies, through shareholder engagement and in Annual General Meetings, and promoting unlisted social enterprises, through financing and support, while still meeting our financial performance targets.

Phitrust is a responsible investors who commits, and encourages all the companies towards a change in culture so that they can integrate the social and environmental impact of their decisions in their strategic and operational dimension. We are convinced that it is possible as an investor to lead them along this path that will be long and fraught, but so rewarding for employees, stakeholders and shareholders.

SG 09 **Mandatory** **Core Assessed** **PRI 4,5**

SG 09.1 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.

- Principles for Responsible Investment

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

Advanced

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

After having used the PRI collaborative platform in 2017 in order to ask for the support of other PRI signatory members to our AccorHotel Resolution A at the AGM, in 2018 we used the PRI platform to communicate on our shareholder engagement initiative in favour of the Science Based Target initiative (SBTI).

Phitrust also used the UN PRI Collaboration Platform in order to co-file the resolution concerning ESSILOR-LUXOTTICA. Phitrust invited PRI members to co-file a resolution at the AGM requesting that the age limit for the CEO be reduced in the Articles of Association from 95 years old to 75 years old.

In 2019, Phitrust submitted 4 investor resolutions concerning 3 shareholder engagement campaigns led by Phitrust. First, Phitrust filed a Project Resolution at Vivendi's AGM asking for the end of anticipation of Yannick Bolloré's mandate as a member of the Supervisory Board of Vivendi, while also being Chairman & CEO of a major subsidiary of Vivendi, the company HAVAS.

Phitrust also filed 2 resolutions at EssilorLuxottica's AGM in 2019. These resolutions were filed with the help of COMGEST. Both resolutions proposed the nomination of 2 independent Board Members.

Finally, Phitrust filed a project resolution at RENAULT's AGM in 2019.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

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

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
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The Science Based Targets initiative is a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments. Phitrust therefore urged companies listed on the CAC40 index to join and become committed to the SBTi.

We refer to the CDP scoring in the ESG selection process of our FCP Phitrust Active Investors Europe, especially companies listed on the CDP A-list.

Phitrust analysts also went to the presentation of the CDP tool for measuring climate change in funds, CLIMETRICS, organised in Paris in 2018. Climetrics looks inside each fund, measuring its portfolio holdings' exposure to climate risks and opportunities, as well as the fund's investment policy and the asset manager's public action on climate change.

We also continue to be strong supporters of the Science Based Targets initiative. During our engagement campaign, we have asked all companies listed on the CAC40 index to comply or explain, if they are not yet joined the Science Based Targets initiative : <https://www.phitrust.com/en/phitrust-encourages-cac-40-companies-join-science-base-targets-initiative/>

- CDP Forests

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

- CDP Water

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

- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)

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

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
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Phitrust Partenaires is an active member of the Global Impact Investing Network (GIIN) as a leader on social impact measurement in private equity. Phitrust Partenaires is a European Social Entrepreneurship Fund (EuSEF), Phitrust Partenaires also has the "Entreprise Solidaire" accreditation and the Finansol label.

Phitrust supports social entrepreneurs who bring innovative solutions to current social or environmental issues. Depending on the desired social impact objectives, measurement criteria are defined with each entrepreneur at the initial stage of the investment. An annual follow-up of these criteria is conducted by the Phitrust team to analyse the performance impact of each project as well as that of the portfolio as a whole.

- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

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

Moderate

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

Each year, Olivier de Guerre (Phitrust's Chairman) and Denis Branche (Managing Director) attend the Annual ICGN Meeting in order to discuss Phitrust's annual shareholder campaign and other ESG issues presented concerning corporate governance of French and European companies.

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Eurosif & Frenchsif (Forum pour l'Investissement Responsable). Regular Meetings with the President of the FIR and participation in working groups on shareholder engagement.

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

Moderate

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

Phitrust Managing Directors regularly meets with the FIR's (Forum pour l'Investissement Responsable) President, Alexis Masse in order to discuss Annual Shareholder Engagement Campaigns.

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Association Française de Gestion (AFG): (French Asset Management Association)

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

Advanced

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 09.2	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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Indicate approximately what percentage (+/- 5%) of your externally managed assets under management are managed by PRI signatories.

15%

SG 10	Mandatory	Core Assessed	PRI 4
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SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 10.2 Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

As part of its responsible investment consulting activity, Phitrust help its clients to define their extra-financial principles and criteria to include in their investment strategy. Phitrust can also assist its clients in setting their ESG-Climate engagement strategy. Information and training on general and specific issues related to responsible finance are integrated to the missions. This RI education and training advices are given to Directors and fund managers.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work

- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description
Participation at meetings on good governance at the AFG (Association Française de Gestion) Participation at meetings of the Gouvernance and Dialog working group of the FIR Forum pour l'Investissement Responsable (french EuSIF) Participation at the annual seminar on Corporate Governance organised by Proxinvest and the Expert Corporate Governance Services (ECGS). Participation and attendance of events organised by Option Finance on Sustainable and Responsible Investments, and Impact Investing.
Frequency of contribution
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc <input type="checkbox"/> Other

- Spoke publicly at events and conferences to promote responsible investment

Description
Phitrust's Managing Directors, Olivier de Guerre and Denis Branche regularly intervene at the Annual General Meetings of CAC40 index companies, either by asking questions to the Board of Directors of these companies, or by denouncing governance issues that have been analysed within the company by Phitrust and Proxinvest, such as the unfair remuneration of Executives in comparison to the rest of the Group. Phitrust's Managing Directors also intervene at the Annual conference of Proxinvest / ECGS (Expert corporate Governance Service on voting policy (oct 2018)
Frequency of contribution
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc <input type="checkbox"/> Other

- Wrote and published in-house research papers on responsible investment

- Encouraged the adoption of the PRI

Description
We encouraged the CAVP (Caisse d'assurance vieillesse des Pharmaciens, French Pension fund for pharmacists) to consider becoming a PRI signatory following our consultancy mission for their ESG climate engagement strategy. We regularly encourage some of our clients, asset managers or institutional investors, to join the PRI and set up a responsible investment team.
Frequency of contribution
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc <input type="checkbox"/> Other

- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

- Wrote and published articles on responsible investment in the media

Description
Many articles in the French Press (Les Echos, Le Monde, Le Figaro, Novethic, La Croix, Le Parisien), Reuters, and Bloomberg, concerning Phitrust's shareholder campaigns in 2017, 2018 and 2019. Phitrust's environmental campaign concerning the Science Based Targets initiative was followed closely by the media and international investment managers. There were also many articles concerning the resolution filed at the EssilorLuxottica AGM in November 2018. Article on our role as shareholders : https://www.phitrust.com/en/what-is-our-role-as-shareholders/ Concerning the PSA-FCA merger : https://www.phitrust.com/en/press-release-phitrust-has-written-to-the-executives-of-groupe-psa-concerning-the-50-50-merger-project-with-fca-group/ https://www.phitrust.com/en/news/#all
Frequency of contribution
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc <input type="checkbox"/> Other

- A member of PRI advisory committees/ working groups, specify

Description
Proposed to other PRI Signatories to co-file the resolution concerning EssilorLuxottica's CEO age limit. Phitrust invited PRI signatories invested in EssilorLuxottica to co-file a resolution at the AGM on November 29th, 2018, a resolution that requesting that the age limit for the CEO be reduced in the Articles of Association from 95 years old to 75 years old. Leonardo Del Vecchio (ex-Chairman & Chief Executive Officer of Luxottica), aged 83 is now Chairman & CEO of the new company EssilorLuxottica, and Hubert Sagnières (ex-Chairman & CEO of Essilor International), aged 63 is now EssilorLuxottica's Executive Vice-Chairman of the Board. Bearing in mind the challenges of organising a new global Group and the necessity of implementing a sustainable form of governance, Phitrust consider it to be important that the functions of Chairman of the Board and Chief Executive Officer of the company be dissociated. The operational management should be assured by a CEO who has the time required for the successful achievement and expansion of the new group. Phitrust therefore suggest that the age limit for the exercise of the functions of Chief Executive Officer of EssilorLuxottica be reduced to 75 years old. The adoption of this resolution will lead to the separation of the functions of Chairman of the Board and CEO of EssilorLuxottica.

Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other
<input type="checkbox"/> On the Board of, or officially advising, other RI organisations (e.g. local SIFs) <input type="checkbox"/> Other, specify

No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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As an engaged and constructive investor, Phitrust has once again this year demonstrated the importance of the dialogue the management company has held with the managers of large companies for almost 20 years.

During the Grand Prize ceremony of the 2019 General Meeting held as part of the Paris Europlace International Financial Forum, for the first time the jury awarded the Special Prize not to an issuer but to a group of investors led by Comgest and Phitrust (with Baillie Gifford, Edmond de Rothschild AM, Fidelity International, GuardCap AM and Sycamore AM). Their achievement: helping resolve the governance crisis resulting from the EssilorLuxottica merger process, a crisis that erupted publicly in March 2019.

Even though, as minority shareholder, the possibilities of changing the ESG (environmental, social and governance) practices of the companies are limited, and the threat of leaving the investment by selling its shares has no impact, Phitrust's influence is real and concrete. It is underpinned by four specific and differentiating levers: (1) dialoguing systematically and constructively with chairpersons or managing directors directly, (2) filing resolutions and asking questions in writing before general meetings, (3) relying on the media to warn investors and the general public, (4) being physically present at all general meetings of CAC 40 companies and voting systematically. Phitrust is the only management company on the Paris financial markets to have filed 45 resolutions at CAC 40 company general meetings.

As an independent, responsible and long-term shareholder, Phitrust questions managers about their strategic governance, which naturally includes environmental and social issues. The quality of a company's governance proves to be the determining factor for guaranteeing that the interests of all stakeholders are taken into consideration in the long term, and therefore guaranteeing sustainable and equitable growth. Due to a wide range of actions, unique expertise in shareholder engagement in France and the management of a portfolio of CAC 40 company securities based on their responses to the engagement campaigns, Phitrust has taken its place as a leading player on the Paris financial market and one of the most influential funds despite still too low prices. Engaged for a long-term transformation, and not short-term activism!

Independence, demonstrated know-how, unique track record. For almost 20 years, Phitrust has been working constructively with CAC 40 companies on the major strategic governance issues. The dialogue we are undertaking enables progress to be made on multiple subjects, including environmental and social matters. Let us hope that parliament will focus on enabling shareholders to make themselves heard, in order to move our companies forward, so that they can meet the challenges of our world!

In addition to Phitrust's ESG campaign on Science Based Targets, the fund Phitrust Active Investors France also led an engagement campaign targeting the high executive compensations of CARREFOUR in relation with the company declining performance in a competitive sector. Written questions were sent to the Board of Directors of companies in order to obtain legally binding responses to these questions.

In the case of CARREFOUR, after having discussed various social issues with Carrefour's labour unions, Phitrust sent several written questions concerning social issues to the Board of Directors. At the AGM, the CEO's remuneration was approved by shareholders. However, the next day, the French Minister of the Economy, Bruno le Maire intervened publicly in order to ask the departing CEO to reduce his remuneration and severance package, taking into consideration the bad financial results of the company during his mandate and the fact there was a consequent workforce reduction due to financial loss and the new CEO's strategic plan.

Phitrust also filed 4 resolutions in 2019 at the Annual General Meetings of ESSILORLUXOTTICA, RENAULT and VIVENDI concerning governance issues.

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
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SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
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Yes

If yes

- Yes, individually
- Yes, in collaboration with others

SG 11.2	Select the methods you have used.
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- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers

- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

SG 11.3 Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available
 - No
- No

SG 11.4 Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

Since the beginning of the 21st century, governance issues and ESG matters as a whole have become central for most investors. This is in particular demonstrated at the annual general meetings tackling ESG matters, covering not only issues of Board Member remuneration, board organisation but also, increasingly, social and environmental issues. Shareholders now assert their rights and no longer hesitate to take the floor before the management team concerning strategic challenges, particularly at times of major controversy. It is also a sign that shareholders are becoming aware of their driving role in ensuring that listed companies consider issues linked to climate change, the energy transition and employment and societal matters.

The key words are **transparency, control, responsibility, balance and equitable distribution of value.**

The main subjects concern decision-making methods, the power of executive managers, the appointment and remuneration of directors and board members, preparation of strategy and in particular the incorporation of environmental and social issues, performance management, and compliance with statutory, accounting, fiscal or the company's own regulations. Since the Pacte law, defining the company's mission or raison d'être has also been included.

Balanced governance, respecting the interests of each stakeholder, is a guarantee of the long-term success of a company and the confidence it inspires. It is what motivates our actions.

Subjects concerning the environment and social or societal matters are in fact dependent on the organisation and implementation of governance in the sense that they are always organised according to the decisions made by the lead manager and the board.

For Phitrust and the shareholders of Sicav Phitrust Active Investors France, several very concrete, public and rather symbolic actions of engagement marked the 2019 season. The main themes brought up at the GMs were:

- Remuneration of Board members (Carrefour),
- The composition and balance of the Board of Directors and the separation of management powers (EssilorLuxottica),
- The liability of directors and statutory auditors (Renault),
- The separation of management power duties and multiple mandates (Vivendi)

The main topics discussed with public entities concern double voting rights and multiple voting rights for shareholders according to French Law, following the french law "Loi Florange" in 2014. Encouraging shareholder democracy through observance of the principle "one share - one vote". Elimination of double voting rights, which only favour shareholders wishing to take control of the company.

Another main topic is the Separation of powers, independence of the board and its committees and observance of the right of minority shareholders. Work carried out on the company's mission & "raison d'être".

Transparency and equity for all remuneration paid to Board members and employees.

Phitrust was also consulted by French deputies in order to discuss the LOI PACTE concerning a variety of subjects for French companies and investors, which will be voted in 2019 by the Senate.

Meetings are also held regularly at the French Minister for the Economy if specific governance or social issues arise concerning CAC40 index companies.

SG 12 **Mandatory** **Core Assessed** **PRI 4**

SG 12.1 Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants

SG 12.2 Indicate how your organisation uses investment consultants in the selection, appointment and/or monitoring of external managers.

- We use investment consultants in our selection and appointment of external managers
- We use investment consultants in our monitoring of external managers
- We do not use investment consultants for selection, appointment and monitoring of external managers.

SG 12.4 Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research

Describe how responsible investment is incorporated

We use an external consultant specialised in Socially Responsible Investment and impact investing subjects. She participates to various working groups and organisations on ESG related subjects (FIR governance & dialog, SFAF Impact investment, Finansol Label Comitee) and teaches Sustainable finance at the ESCP business School.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

- No, we do not use investment consultants.

SG 13	Mandatory	Descriptive	PRI 1		
SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).				
	<input type="checkbox"/> Yes, in order to assess future ESG factors <input type="checkbox"/> Yes, in order to assess future climate-related risks and opportunities <input checked="" type="checkbox"/> No, our organisation does not currently carry out scenario analysis and/or modelling				
SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1		
SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.				
	<input checked="" type="checkbox"/> Changing demographics <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Resource scarcity <input checked="" type="checkbox"/> Technological developments <input checked="" type="checkbox"/> Other, specify(1)				
	<table border="1"> <tr> <td>other description (1)</td> </tr> <tr> <td>Change in international regulations and local laws, which could modify shareholders rights in France and Europe. For example, mergers submitted to the European Commissions' authorization.</td> </tr> </table>			other description (1)	Change in international regulations and local laws, which could modify shareholders rights in France and Europe. For example, mergers submitted to the European Commissions' authorization.
other description (1)					
Change in international regulations and local laws, which could modify shareholders rights in France and Europe. For example, mergers submitted to the European Commissions' authorization.					
	<input type="checkbox"/> Other, specify(2) <input type="checkbox"/> None of the above				
SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity				
	<input checked="" type="checkbox"/> Established a climate change sensitive or climate change integrated asset allocation strategy <input type="checkbox"/> Targeted low carbon or climate resilient investments <input type="checkbox"/> Phase out your investments in your fossil fuel holdings <input checked="" type="checkbox"/> Reduced portfolio exposure to emissions intensive or fossil fuel holdings <input type="checkbox"/> Used emissions data or analysis to inform investment decision making <input checked="" type="checkbox"/> Sought climate change integration by companies <input type="checkbox"/> Sought climate supportive policy from governments <input checked="" type="checkbox"/> Other, specify				
	<table border="1"> <tr> <td>other description</td> </tr> <tr> <td>Phitrust has a dedicated shareholder engagement strategy aiming at encouraging GHG (green house gasses) reduction (notably via the Science Based Targets initiative methodology : SBTi)</td> </tr> </table>			other description	Phitrust has a dedicated shareholder engagement strategy aiming at encouraging GHG (green house gasses) reduction (notably via the Science Based Targets initiative methodology : SBTi)
other description					
Phitrust has a dedicated shareholder engagement strategy aiming at encouraging GHG (green house gasses) reduction (notably via the Science Based Targets initiative methodology : SBTi)					
	<input type="checkbox"/> None of the above				
SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.				
	<input type="checkbox"/> Scenario analysis <input type="checkbox"/> Disclosures on emissions risks to clients/trustees/management/beneficiaries <input checked="" type="checkbox"/> Climate-related targets <input type="checkbox"/> Encouraging internal and/or external portfolio managers to monitor emissions risks <input type="checkbox"/> Emissions-risk monitoring and reporting are formalised into contracts when appointing managers <input type="checkbox"/> Weighted average carbon intensity <input checked="" type="checkbox"/> Carbon footprint (scope 1 and 2) <input type="checkbox"/> Portfolio carbon footprint <input type="checkbox"/> Total carbon emissions <input type="checkbox"/> Carbon intensity <input checked="" type="checkbox"/> Exposure to carbon-related assets <input type="checkbox"/> Other emissions metrics <input checked="" type="checkbox"/> Other, specify				
	<table border="1"> <tr> <td>other description</td> </tr> <tr> <td>Phitrust has a initiated shareholder engagement strategy in France aiming at encouraging companies to reduce their GHG emissions, notably via the Science Based Targets initiative.</td> </tr> </table>			other description	Phitrust has a initiated shareholder engagement strategy in France aiming at encouraging companies to reduce their GHG emissions, notably via the Science Based Targets initiative.
other description					
Phitrust has a initiated shareholder engagement strategy in France aiming at encouraging companies to reduce their GHG emissions, notably via the Science Based Targets initiative.					
	<input type="checkbox"/> None of the above				
SG 14 CC	Voluntary		General		
SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.				
	Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology

Climate-related targets	Minority of assets	Reduce environmental impact	GHG emissions	SBTi
Carbon footprint (scope 1 and 2)	Minority of assets	Mesure environmental impact	GHG emissions & CO2	SBTi
Exposure to carbon-related assets				

SG 14.7 CC Describe in further detail the key targets.

Target type	Baseline year	Target year	Description	Attachments
Absolute target	2017	2030	Committed companies to Science Based Targets initiative (SBTi)	
Absolute target	2017	2030	Companies with Targets Set (SBTi)	
Absolute target	2017	2030	Companies research methodologies in order to join the Science Based Targets initiative (SBTi)	
Absolute target	2017	2030	Companies a part of the CDP A-List	
Absolute target	2017	2030	Companies unwilling to answer the CDP questionnaire	

SG 14.8 CC Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management
- Processes for climate-related risks are not integrated into overall risk management

Please describe

Phitrust Active Investors Europe mutual fund uses data from CDP (Carbon Disclosure Project) in order to select securities in which to invest based on the CDP A-List, but also those companies who have made considerable effort during the last 3-5 years, thus improving their grade and transparency in their reporting.

Scientific GHG (green house gas) emissions reduction targets are set by companies listed on the CAC40 index who are committed to the Science Based Targets initiative. Companies set the targets themselves are the experts of the SBTi approve these targets after a thorough review and analysis of their methodologies. Targets should not be too easily achievable and on the other hand, should not be over-ambitious. Phitrust urges french companies who are not yet committed to the Science Based Targets initiative, to join or to take into consideration the construction of a methodology that will lead to the achievement of a climate change scenario compatible with the United Nation's 2 degrees scenario.

SG 14.9 CC Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes
- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15 Mandatory to Report, Voluntary to Disclose Descriptive PRI 1

SG 15.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

SG 15.2 Indicate the percentage of your total AUM invested in environmental and social themed areas.

90%

SG 15.3 Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology

Asset class invested

- Listed equity
 - 90Percentage of AUM (+/-5%) per asset class invested in the area
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Cash

Brief description and measures of investment

Via our fund, Phitrust Active Investors Europe, we invest in clean-tech / low-carbon businesses such as, energy efficiency, clean

technology, renewable energies and sustainable development. Such companies are for example, AIR LIQUIDE, ATOS, DANONE, ENEL, LEGRAND, SCHNEIDER ELECTRIC, REXEL and SAP. We are also invested in companies such as SAINT-GOBAIN, which specializes in construction materials, such as high-tech glass which can improve the energy efficiency of old and new buildings.

Renewable energy

Asset class invested	
<input checked="" type="checkbox"/> Listed equity	10Percentage of AUM (+/-5%) per asset class invested in the area
<input type="checkbox"/> Fixed income - SSA	
<input type="checkbox"/> Fixed income - Corporate (financial)	
<input type="checkbox"/> Fixed income - Corporate (non-financial)	
<input type="checkbox"/> Fixed income - Securitised	
<input type="checkbox"/> Private equity	
<input type="checkbox"/> Cash	
Brief description and measures of investment	
Via our fund, Phitrust Active Investors Europe, we invest in clean-tech businesses such as renewable energies. We are, for example, invested in ENGIE, EDP, IBERDROLA, and ENDESA.	

Green buildings

Asset class invested	
<input checked="" type="checkbox"/> Listed equity	10Percentage of AUM (+/-5%) per asset class invested in the area
<input type="checkbox"/> Fixed income - SSA	
<input type="checkbox"/> Fixed income - Corporate (financial)	
<input type="checkbox"/> Fixed income - Corporate (non-financial)	
<input type="checkbox"/> Fixed income - Securitised	
<input checked="" type="checkbox"/> Private equity	1Percentage of AUM (+/-5%) per asset class invested in the area
<input type="checkbox"/> Cash	
Brief description and measures of investment	
Via our fund, Phitrust Active Investors Europe, we invest in clean-tech businesses such as green buildings and commercial spaces. We are invest in Unibail-Rodamco-Westfield, which is attached to building and developping carbon neutral shopping centers and contributes to developping Smart-cities. We are also invest in SAINT-GOBAIN, which specializes in construction materials, such as high-tech glass which can improve the energy efficiency of old and new buildings.	
Our fund Phitrust Active Investors France is also invested in BOUYGUES, SAINT-GOBAIN, and VINCI. These companies are implicated in the major project concerning LE GRAND PARIS, in order to make the region around the city of Paris more accessible by public transportation, in and out of the city, and with access to both airports. All around "big Paris", many green buildings and eco-districts/neighbourhood.	
Phitrust Partenaires, our Private Equity fund is also invested in CHENELET, which produces wooden houses for low-income individuals, with a high-energy efficiency purpose, as well as short construction periods compared to traditional construction.	

Sustainable forestry

Sustainable agriculture

Asset class invested	
<input checked="" type="checkbox"/> Listed equity	1Percentage of AUM (+/-5%) per asset class invested in the area
<input type="checkbox"/> Fixed income - SSA	
<input type="checkbox"/> Fixed income - Corporate (financial)	
<input type="checkbox"/> Fixed income - Corporate (non-financial)	
<input type="checkbox"/> Fixed income - Securitised	
<input checked="" type="checkbox"/> Private equity	1Percentage of AUM (+/-5%) per asset class invested in the area
<input type="checkbox"/> Cash	
Brief description and measures of investment	
We are invested in Danone, which develops sustainable agriculture practices. Phitrust Partenaires, our Private Equity fund is also invested in LA LAITERIE DU BERGER in Senegal, developing sustainable farming for local farmers in Senegal in order to promote circular and local economy practices.	

Microfinance

Asset class invested	
<input type="checkbox"/> Listed equity	

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- 1Percentage of AUM (+/-5%) per asset class invested in the area
- Cash

Brief description and measures of investment

Phitrust Partenaires, our Private Equity fund is also invested in various microfinance funds such as MICROFINANCE SOLIDAIRE and ENTREPRENEURS DU MONDE in France. Phitrust Partenaires works closely with the Microfinance institutions such as ADIE in France, and is invested in PER MICRO in Italie. Phitrust Partenaires has also invested in the fund INVESTISSEURS ET PARTENAIRES (I&P) which helps social entrepreneurs in Africa to develop their projects in the long term by providing financial and educational support.

- SME financing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- 1Percentage of AUM (+/-5%) per asset class invested in the area
- Cash

Brief description and measures of investment

Phitrust Partenaires is specialised in financing SMEs developing social and environmental impact activities in France and Europe, but also in Africa via the fund I&P Développement.

- Social enterprise / community investing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- 1Percentage of AUM (+/-5%) per asset class invested in the area
- Cash

Brief description and measures of investment

Phitrust Partenaires is specialised in financing SMEs developing social and environmental impact activities with a special focus on local economies, job creation and circular economy.

- Affordable housing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- 1Percentage of AUM (+/-5%) per asset class invested in the area
- Cash

Brief description and measures of investment

Phitrust Partenaires is specialised in financing SMEs developing social and environmental impact activities with a special focus on local economies, job creation and circular economy. One of the portfolio's companies is CHENELET and FONCIERE CHENELET, which is specialised in the construction of high-quality wood houses (green buildings) for low income populations in France.

- Education
- Global health
- Water

Asset class invested
<input type="checkbox"/> Listed equity <input type="checkbox"/> Fixed income - SSA <input type="checkbox"/> Fixed income - Corporate (financial) <input type="checkbox"/> Fixed income - Corporate (non-financial) <input type="checkbox"/> Fixed income - Securitised <input checked="" type="checkbox"/> Private equity 1Percentage of AUM (+/-5%) per asset class invested in the area <input type="checkbox"/> Cash
Brief description and measures of investment
Phitrust Partenaires is specialised in financing SMEs developing social and environmental impact activities with a special focus on local economies, job creation and circular economy. One of the portfolio's companies is SWISS FRESH WATER, specialised in water pumps for local populations in Africa, who do not have access to clean and sanitary drinking and cooking water.
<input type="checkbox"/> Other area, specify

No

RA-2018-BD.pdf

SG 16	Mandatory	Descriptive	General
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SG 16.1 Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Private equity	<p>Phitrust Partenaires has created, in partnership with the European Investment Fund, a venture capital firm dedicated to impact investing in Europe. The strategy implemented is identical to that of Phitrust Partenaires but aimed at companies in the European Union. Phitrust Partenaires Europe was certified European Social Entrepreneurship Fund (EuSEF) in July 2017.</p> <p>This new investment vehicle will support the many projects identified today in Europe that seek to respond to social emergencies and develop partnerships initiated with social funds in Belgium, Spain, Italy and Northern Europe. Numerous exchanges with the EIF enabled us to refine the structuring of our investment strategy and implement a new project impact measurement methodology.</p> <p>We are committed to supporting closely each of the businesses run by social entrepreneurs in our investment portfolio. This support is provided by the Phitrust Partenaires Europe team as well as by our investors who are mostly proven entrepreneurs. We therefore bring to our companies a strong added value in terms of management and development.</p> <p>Depending on the desired social impact objectives, measurement criteria are defined with each entrepreneur at the initial stage of the investment. An annual follow-up of these criteria is conducted by the Phitrust team to analyse the performance.</p>

SG 18	Voluntary	Descriptive	General
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SG 18.1 Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

SG 18.2 Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

Since 2003, PHITRUST has focused on the development of a responsible investment strategy around three pillars:

- promoting ESG best practices (environment, social, governance) within listed companies through dialogue with minority shareholders. Our Phitrust Active Investors UCITS overweight companies in our portfolios of listed European shares that distinguish themselves in;
- analysing, financing and supporting projects with a social impact. The investment company Phitrust Partenaires and the Phitrust Endowment Fund for social innovation have been developing this approach since 2006;
- financing innovative companies seeking to respond to a social and / or environmental issue. Phitrust Innovation mutual funds for innovation (FCPI) finance and support projects run by technologically innovative companies.

For over 15 years, Phitrust's Managing Directors have tried to prove that it is possible to reconcile financial performance with social and/or environmental impact, by favouring dialogue with large listed companies and supporting unlisted projects led by entrepreneurs. What seemed then a utopian project has today become a concrete reality. While many players are seizing impact investing (and we are very happy for them), Phitrust is one of the few Responsible Investors that can clearly demonstrate the success of maintaining dialogue with some large listed companies, through shareholder engagement and in Annual General Meetings, and promoting unlisted social enterprises, through financing and support, while still meeting our financial performance targets. Phitrust is often compared to activist hedge funds, however, Phitrust is a long term and long-only investment manager and does not use any speculative financial instruments such as options, derivatives or futures on stocks or any market index.

Phitrust is the only asset manager to have filed 45 draft resolutions in France, and is recognised as one of the pioneers of shareholder engagement in Europe. We act with the directors of CAC40 companies to change certain governance practices that appear to create imbalances or inequities for their minority shareholders and all stakeholders. Phitrust's shareholder engagement strategy remains unique and innovative in France and Europe. Not only does it rely on a direct, face-to-face dialogue with Chairman and CEOs of issuing companies (rather than questionnaire and indirect dialog), but Phitrust is also the only independent investment manager to file resolutions during the Annual General Meetings of French companies on the CAC40 index. We have indeed an active attendance to annual shareholder meetings, that often results in the filing of resolutions at the AGM's agenda regarding ESG and controversial subjects.

Although Phitrust is not an activist, it is well-known to be an engaged investor. On behalf of its clients, it means to dialogue and engage with companies as to improve their understanding of their governance, as well as environmental and social issues. This engagement is reflected in a long-term investment, a direct and constructive dialogue with the directors and the exercise of voting rights in annual general meetings (AGMs).

Phitrust remains the only European investor to have filed 45 resolutions at the CAC40 companies AGMs since 2003. In addition, in 15 years of constructive dialogue with the heads of European listed companies, 40 public initiatives (oral and written questions in annual general meetings)

have been led and 1845 private initiatives have been presented to executives and boards of directors.

Phitrust's objective is to make the voice of minority shareholders heard and influence the management of companies in the independence of consultancy, executive compensation, environmental and social policies, etc.

The means in order to achieve this objective can be oral questions, written questions, or filing of a resolution, which is not an act of defiance towards the directors. Such a filing is intended to convince them that the subject is considered to be very important by the shareholders presenting it and to assess whether the other shareholders support the proposed resolution.

SHAREHOLDER ENGAGEMENT IN 2018 / 2019 :

In 2018/2019, individual letters were sent to the chairpersons of each CAC 40 company; in total 180 questions were asked. More specifically, the dialogue continued with 32 of the 40 companies (including 18 meetings with Boards and/or conference calls, and 14 written responses from the Chairpersons of Boards of Directors or Supervisory Boards). In addition, four series of written questions were sent to four companies before their general meetings (Carrefour, EssilorLuxottica, Renault, Vivendi). The responses to these written questions were published on the website of the companies in question, or in the minutes of the General Meeting.

In total, 204 questions were asked on a range of varied themes such as the separation of powers, Board member remuneration, capital protection mechanisms (double voting rights, Breton warrants, capital increases during takeover bid period), taxation, business ethics and corruption, the Science Based Targets (SBTi) environmental initiative following the campaign led by Phitrust on this matter, and social inclusion and the company's vigilance plan.

Voting at General Meetings : We were present at the General Meetings of 33 companies, and for the six foreign companies on the CAC 40 (or those holding their GM outside the Greater Paris area) we voted remotely, for a total of 866 resolutions (excluding Pernod-Ricard which will hold its General Meeting in November 2019).

We voted in opposition for 36% of the resolutions (i.e. 309 resolutions), particularly on the issues of Board member remuneration, capital increases during takeover bid periods and the appointment of certain directors (against multiple mandates in particular).

We filed five shareholder resolutions asking to separate management duties at EssilorLuxottica and to appoint two independent directors, and to end the mandates of two directors at Renault (Patrick Thomas) and at Vivendi (Yannick Bolloré).

No

SG 19	Mandatory	Core Assessed	PRI 2, 6
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SG 19.1 Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Listed equity - Incorporation

Do you disclose?

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

Disclosure to clients/beneficiaries

Disclosure to clients/beneficiaries

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

Biannually

Listed equity - Engagement

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

Disclosure to clients/beneficiaries

Disclosure to clients/beneficiaries	
<input checked="" type="checkbox"/>	Details on the overall engagement strategy
<input checked="" type="checkbox"/>	Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals
<input checked="" type="checkbox"/>	Number of engagements undertaken
<input checked="" type="checkbox"/>	Breakdown of engagements by type/topic
<input checked="" type="checkbox"/>	Breakdown of engagements by region
<input checked="" type="checkbox"/>	An assessment of the current status of the progress achieved and outcomes against defined objectives
<input checked="" type="checkbox"/>	Examples of engagement cases
<input checked="" type="checkbox"/>	Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)
<input checked="" type="checkbox"/>	Details on whether the provided information has been externally assured
<input checked="" type="checkbox"/>	Outcomes that have been achieved from the engagement
<input type="checkbox"/>	Other information
Annually	

Listed equity – (Proxy) Voting	
Do you disclose?	
<input type="radio"/>	We do not disclose to either clients/beneficiaries or the public.
<input checked="" type="radio"/>	We disclose to clients/beneficiaries only.
<input type="radio"/>	We disclose to the public
Disclosure to clients/beneficiaries	
Disclosure to clients/beneficiaries	
<input checked="" type="radio"/>	Disclose all voting decisions
<input type="radio"/>	Disclose some voting decisions
<input type="radio"/>	Only disclose abstentions and votes against management
Annually	

SG Checks

Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEI 01	Mandatory	Gateway	PRI 1
LEI 01.1	Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.		
<input type="checkbox"/> Screening alone (i.e., not combined with any other strategies) <input type="checkbox"/> Thematic alone (i.e., not combined with any other strategies) <input type="checkbox"/> Integration alone (i.e., not combined with any other strategies) <input checked="" type="checkbox"/> Screening and integration strategies <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 20px;">Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5% 10%</div> <input type="checkbox"/> Thematic and integration strategies <input type="checkbox"/> Screening and thematic strategies <input checked="" type="checkbox"/> All three strategies combined <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 20px;">Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5% 90%</div> <input type="checkbox"/> We do not apply incorporation strategies			

LEI 02	Voluntary	Additional Assessed	PRI 1
LEI 02.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.		
<input checked="" type="checkbox"/> Raw ESG company data <input checked="" type="checkbox"/> ESG research provider <input type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> Company-related analysis or ratings <input checked="" type="checkbox"/> ESG research provider <input type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> Sector-related analysis or ratings <input checked="" type="checkbox"/> ESG research provider <input type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input type="checkbox"/> Country-related analysis or ratings <input checked="" type="checkbox"/> Screened stock list <input checked="" type="checkbox"/> ESG research provider <input type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> ESG issue-specific analysis or ratings <input checked="" type="checkbox"/> ESG research provider <input type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input type="checkbox"/> Other, specify			
LEI 02.2	Indicate whether you incentivise brokers to provide ESG research.		
<input type="radio"/> Yes <input checked="" type="radio"/> No			

LEI 03	Voluntary	Additional Assessed	PRI 1
LEI 03.1	Indicate whether 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.		
<input checked="" type="checkbox"/> Engagement <input checked="" type="checkbox"/> We have a systematic process to ensure the information is made available.			

We occasionally make this information available.

We do not make this information available.

(Proxy) voting

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

We occasionally make this information available.

We do not make this information available.

LEI 03.2 Additional information. [Optional]

Phitrust works directly with the French Proxy Advisor, Proxinvest. The Chairman, as well as the CEO of Proxinvest are a part of Phitrust's technical committee for engagement activities and shareholder campaigns on our fund SICAV Phitrust Active Investors France. The technical committee meets on a monthly basis.

Proxinvest & ECGS (European Corporate Governance Services) provide us most the information concerning the analysis of the Governance of companies at the European level and more specifically on the 40 companies listed on the CAC40 index, which are the main targets of Phitrust's active shareholder engagement initiatives or campaigns. This close link with these voting and resolution experts, combined with the historic expertise of our team on shareholder engagement is key to the quality and frequency of our initiatives.

As part of their fiduciary duties, Phitrust takes into consideration the long-term consequences of the resolutions proposed to shareholders of the companies in which they have invested. During the proxy season, there are thousands of resolutions to which Phitrust has to respond within very short time deadlines. Furthermore, when extraordinary general meetings are called, there are complex financial transactions on which investment managers will have to make a judgement, independently and after due consideration.

LEI 04

Mandatory

Descriptive

PRI 1

LEI 04.1 Indicate and describe the type of screening you apply to your internally managed active listed equities.

Negative/exclusionary screening

Product

Activity

Sector

Country/geographic region

Environmental and social practices and performance

Corporate governance

Description

For the FCP Phitrust Active Investors Europe :

- Elimination of companies that have not signed the UN Global Compact and that have a low score by CDP.
- Elimination of companies whose core business has negative impact on the environment and society as a whole, for example, defense, tobacco and extraction industries.
- Elimination of companies which involve weapons, guns, munitions, landmines, or any kind of explosive device.
- Elimination of companies actively involved in deforestation and slavery.
- No direct investments in coal mines, or other types of mineral extraction such as gold, silver, copper, lithium, cobalt or other metals.
- Tobacco fields or commercialisation of tobacco.
- Exclusion of the automobile sector since the "Dieselgate" scandal. Even if there is R&D in electrification and NEVs (New energy vehicles).

Screening does not apply for the Phitrust Active Investors France fund as the methodology consists in investing in all 40 companies composing the stock index of the CAC40 index.

Positive/best-in-class screening

Product

Activity

Sector

Country/geographic region

Environmental and social practices and performance

Corporate governance

Description

For Phitrust Active Investors France, a quantitative methodology for processing extra-financial information obtained as part of shareholder engagement initiatives is applied. The portfolio is made up of at least 90% of Eurozone equities. The fund will therefore apply its quantitative management methodology for extra-financial information, which will be done in three steps: taking into account the main governance events of the companies, the quantification and analysis of the impact of governance events, and a strategic allocation that leads the over/underweighting of each security and the selection of an optimal portfolio.

The open-end investment company has defined its own governance referential based in particular on the principles adopted by large institutional investors and the majority of published standards. A Technical Committee comprising the manager and the proxy advisory firm Proxinvest proposes to the Board of Directors of the open-end investment company the governance improvement initiatives that could be implemented with the portfolio companies. The Board of Directors of the open-end investment company decides on the choice of these initiatives in order to maintain a constructive and lasting dialogue with the directors of these companies.

Norms-based screening

LEI 04.2 Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

The above criteria have been established as key elements for the investment strategy of the Phitrust Active Investors Europe portfolio. This fund is based on

social and environmental impact and shareholder engagement. These criteria are reviewed on an annual basis, to make sure that they are still up to date with ESG issues and that they integrate potential ESG controversies (deforestation, dieselgate, palm oil, pharmaceuticals).

It could happen that Phitrust will ask Euronext Paris to remove a company listed on the CAC40 index if they do not respect French Corporate Governance Guidelines and standards such as the AFEP-MEDEF code or the AFG (Association Francaise de Gestion) Corporate Governance Guidelines. Several French companies have been acquired or have merged with foreign companies, leading to a deterioration in the governance and social standards of these companies. Therefore, there is an active shareholder engagement campaign and after observing that the company does not take into consideration the remarks of its majority shareholders, Phitrust can start an active campaign asking for the removal of a particular company on the CAC40 index.

LEI 05	Mandatory	Core Assessed	PRI 1
LEI 05.1	Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.		
<input checked="" type="checkbox"/> Comprehensive ESG research is undertaken or sourced to determine companies' activities and products. <input checked="" type="checkbox"/> Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies. <input checked="" type="checkbox"/> 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. <input checked="" type="checkbox"/> Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies. <input type="checkbox"/> Trading platforms blocking / restricting flagged securities on the black list. <input checked="" type="checkbox"/> A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions. <input checked="" type="checkbox"/> A periodic review of internal research is carried out. <input checked="" type="checkbox"/> Review and evaluation of external research providers. <input type="checkbox"/> Other; specify <input type="checkbox"/> None of the above			
LEI 05.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.		
<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%			
LEI 05.3	Indicate how frequently third party ESG ratings are updated for screening purposes.		
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Bi-Annually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually			
LEI 05.4	Indicate how frequently you review internal research that builds your ESG screens.		
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Bi-Annually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually			
LEI 05.5	Additional information. [Optional]		
<p>All of our equities are screened on a monthly basis using a variety of information sources in order to stay up to date on ESG news and controversies concerning the companies Phitrust has invested in. Proxinvest provides us with a quantitative noting system for all 40 companies of the CAC40 index. These scores are calculated on a yearly basis after the voting and Annual General Meeting season, in order to evaluate the quality of the governance, and the responses of the Executive Managements of these equities to shareholder initiatives or low scores obtained concerning some specific resolutions submitted to the vote.</p>			
LEI 06	Voluntary	Additional Assessed	PRI 1
LEI 06.1	Indicate which processes your organisation uses to ensure fund criteria are not breached.		
<input checked="" type="checkbox"/> Systematic checks are performed to ensure that stocks meet the fund's screening criteria <input type="checkbox"/> Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit function <input checked="" type="checkbox"/> Periodic auditing/checking of the organisations RI funds by external party <input type="checkbox"/> Other; specify <input type="checkbox"/> None of the above			
LEI 06.2	If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.		
<p>We directly organize meetings on a quarterly basis and call the portfolio managers in order to understand the investment decisions. We then adjust our investment policy or decide to reinvest or divest, or hold our position in the fund. If no other alternatives are possible we usually divest and look for other funds from other investment managers with a more rigorous ESG analysis and responsible investment team. Concerning our fixed income mandate given to Pictet Asset Management, it can happen that they invest in fossil fuels or extractive activities, judging them financially attractive. However, Phitrust's Portfolio Managers ask them to remove these types of investments if they appear in their portfolios.</p> <p>If a call is not sufficient, we will first send an email to the Portfolio Managers, and if no decision is taken, then to the Managing Directors of the Investment Managers and along with a letter by registered post explaining our investment policy and investment charter.</p>			

LEI 07	Mandatory	Descriptive	PRI 1
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LEI 07.1 Indicate the type of sustainability thematic funds or mandates your organisation manages.

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

LEI 07.2 Describe your organisation's processes relating to sustainability themed funds. [Optional]

The fund Phitrust Active Investors France is focused on strategic governance as we believe that is the pillar of Environmental and Social (ESG) practices and policies. Phitrust has therefore defined its own governance referential based in particular on the principles adopted by large institutional investors and the majority of published standards. A Technical Committee comprising the manager and the proxy advisory firm Proxinvest proposes to the Board of Directors of the open-end investment company the governance improvement initiatives that could be implemented with the portfolio companies. The Board of Directors of the open-end investment company decides on the choice of these initiatives in order to maintain a constructive and lasting dialogue with the directors of these companies.

The other fund Phitrust Active Investors Europe is focused on social and environmental impact and engagement achieved by embracing ESG issues. Its objective is to outperform the DJ Eurostoxx index (dividends reinvested) by a selection of European listed companies seeking a positive societal impact, with a particular focus on innovation, as well as sustainable and responsible strategy led by the executive management in the environmental and social fields, in addition to good governance practices adapted to these issues. This objective involves an analysis of companies' activities, their commitment, the assessment of key ESG criteria and regular dialogue to improve the societal impact of companies in the portfolio.

The selected companies must adhere to key impact criteria, evidence of their commitment to being a strong positive contributor to people and the planet, such as membership in the UN Global Compact, a good appreciation of their environmental policy through the Carbon Disclosure Project (CDP), societal impact initiatives targeted at disadvantaged populations, etc. The companies must also commit to the United Nations Sustainable Development Goals (SDGs) and their activities must play a significant role.

Monitoring these impact indicators and controversial issues within the ESG environmental, social and governance areas allows us to have a constructive dialogue with the companies to whom we propose ESG improvements that will have a real impact on their sustainability, the creation of value and therefore ultimately on the rise of their stock price.

LEI 08	Mandatory	Core Assessed	PRI 1
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LEI 08.1 Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.

ESG issues	Proportion impacted by analysis
Environmental	Environmental
	<input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%
Social	Social
	<input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%
Corporate Governance	Corporate Governance
	<input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%

LEI 08.2 Additional information. [Optional]

Since 2003, Phitrust Active Investors has focused on the development of a responsible investment strategy around:

- promoting ESG best practices (environment, social, governance) within listed companies through dialogue with minority shareholders.
- analysing, financing and supporting projects with a social impact.
- financing innovative companies seeking to respond to a social and / or environmental issue.

The selected companies must adhere to key impact criteria such as the UN Sustainable Development Goals (SDGs), and evidence of their commitment to being a strong positive contributor to local communities and should be respectful towards the environment.

Phitrust's shareholder engagement initiatives in 2018/2019 targeted this matters : For example in the Environment field : Phitrust has encouraged CAC 40 Companies to join the Science Based Targets initiative by sending written questions to the executive boards of 34 companies listed on the CAC40 index in preparation of their 2018 AGM. As a responsible investor, Phitrust believes indeed that it is essential for listed companies to contribute to the commitments made under the Paris Agreement signed in 2015 following the COP21, by agreeing to set Greenhouse Gas emissions reduction targets that are ambitious, substantial, compatible with their business activity and in line with the 2-degree emissions target.

LEI 09	Mandatory	Core Assessed	PRI 1
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LEI 09.1 Indicate which processes your organisation uses to ensure ESG integration 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
- Third-party ESG ratings are updated regularly
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other; specify
- None of the above

LEI 09.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.
<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%	

LEI 09.3	Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Bi-Annually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually	

LEI 09.4	Indicate how frequently you review internal research that builds your ESG integration strategy.
<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Bi-Annually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually	

LEI 09.5	Describe how ESG information is held and used by your portfolio managers.
<input checked="" type="checkbox"/> ESG information is held within centralised databases or tools, and it is accessible by all relevant staff <input checked="" type="checkbox"/> ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff <input checked="" type="checkbox"/> Systematic records are kept that capture how ESG information and research were incorporated into investment decisions <input type="checkbox"/> Other; specify <input type="checkbox"/> None of the above	

LEI 10	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
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LEI 10.1	Indicate which aspects of investment analysis you integrate material ESG information into.
<input checked="" type="checkbox"/> Economic analysis	
Proportion of actively managed listed equity exposed to investment analysis	
<input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%	
<input checked="" type="checkbox"/> Industry analysis	
Proportion of actively managed listed equity exposed to investment analysis	
<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%	
<input checked="" type="checkbox"/> Quality of management	
Proportion of actively managed listed equity exposed to investment analysis	
<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%	
<input checked="" type="checkbox"/> Analysis of company strategy	

Proportion of actively managed listed equity exposed to investment analysis

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

Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis

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

- Security sensitivity and/or scenario analysis
- Fair value/fundamental analysis
- Other; specify

LEI 10.3 Describe how you integrate ESG information into portfolio weighting.

ESG information is integrated in the quantitative modelisation of the portfolios using mathematical models.

Phitrust Active Investors France is said to have "extended index management" and will thus make use of the exemptions provided for by the regulations. This fund is invested in all of the equities listed in the CAC40 index. The portfolio consists exclusively of shares of European companies listed in Paris. The purpose of the open-end investment company is to replicate the Index by purchasing securities in similar proportions and with constant monitoring of changes in the composition of the reference index.

The portfolio is made up of at least 90% of Eurozone equities. The UCITS (open-end investment company) will therefore apply its quantitative management methodology for extra-financial information processing by respecting an annual tracking error of up to 4% or 20% of the volatility of the CAC40 index. The processing of this information will be done in three steps: taking into account the main governance events of the companies of the CAC40 index, the quantification and analysis of the impact of these governance events, and a strategic allocation that leads the over/underweighting of each security of the open-end investment company and the selection of an optimal portfolio.

LEI Checks

Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEA 01.1 Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2 Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

<http://www.phitrust.com/en/shareholder-impact/engagement-methodology/>

LEA 01.3 Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other, (specify)

Mergers & Acquisitions ; Double Voting Rights; Separation of executive and management functions.

(Proxy) voting approach

Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other, (specify)

Other

None of the above

No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

Yes

No

LEA 01.6 Additional information [optional]

Phitrust is the only asset manager to have filed 45 draft resolutions in France and is recognised as one of the pioneers of shareholder engagement in Europe. Phitrust acts with the Executive Management and Board of Directors of all of the CAC40 index companies in order to change certain governance practices that appear to create imbalances or inequities for their minority shareholders and all stakeholders.

The aim of Phitrust's shareholder engagement campaigns is to make the voice of minority shareholders heard and influence the executive management of listed companies in the independence of consultancy, executive compensation, environmental and social policies, etc. Phitrust's most important shareholder campaigns concern mergers that are considered as "50/50 or between equals", as these mergers do not exist. There is always one side trying to take over another and nothing is so straight-forward and perfectly equal. Most of the time, there are major strategic reorganizations and restructuring on both sides, that eventually lead to job cuts and a negative social impact on employees in the short term. We are in favor of takeovers, but not "mergers between equals". The most recent examples are Essilor-Luxottica and, the PSA (Peugeot-Citroen-DS-Opel) merger with FCA (Fiat-Chrysler Automobiles).

We consider that oral questions, written questions, or filing of a resolution are not an act of defiance towards the directors. Such a filing is intended to convince them that the subject is considered to be very important by the shareholders presenting it and to assess whether the other shareholders support

the proposed resolution.

That is why for instance in 2018 Phitrust encouraged French companies to join the "Science Based Targets" initiative by sending written questions to the executive boards of 31 companies listed on the CAC40 index in preparation of their 2018 Annual General Meetings, encouraging their participation in the Science Based Targets initiative. As a responsible investor, Phitrust believes indeed that it is essential for listed companies to contribute to the commitments made under the Paris Agreement signed in 2015 following the COP21, by agreeing to set Greenhouse Gas emissions reduction targets that are ambitious, substantial, compatible with their business activity and in line with the 2-degree emissions target recognised as indispensable by the global community.

LEA 02	Mandatory	Core Assessed	PRI 1,2,3
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LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via service providers

LEA 02.2 Indicate whether your organisation plays a role in the engagement process that your service provider conducts.

Yes

LEA 02.3 Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- We discuss the topic of the engagement (or ESG issue(s)) of engagement
- We discuss the rationale for the engagement
- We discuss the objectives of the engagement
- We select the companies to be engaged with
- We discuss the frequency/intensity of interactions with companies
- We discuss the next steps for engagement activity
- We participate directly in certain engagements with our service provider
- Other; specify
- We play no role in engagements that our service provider conducts.

No

LEA 02.4 Additional information. [Optional]

Phitrust conducts its shareholder engagement campaigns directly. Phitrust sometimes joins other collaborative campaigns led by other investment managers if they are relevant and appropriate. The Proxy Advisor, PROXINVEST is a part of the technical committee of our fund SICAV Phitrust Active Investors France and decides with us our annual engagement initiatives.

LEA 03	Mandatory	Core Assessed	PRI 2
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LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

LEA 03.2 Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements

Individual / Internal staff engagements	<table border="1"> <thead> <tr> <th colspan="2" data-bbox="446 112 1385 145">Individual / Internal staff engagements</th> </tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td> <td>Geography/market of the companies</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Materiality of the ESG factors</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Exposure (size of holdings)</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Responses to ESG impacts that have already occurred</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Responses to divestment pressure</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Consultation with clients/beneficiaries</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Follow-up from a voting decision</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Client request</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Breaches of international norms</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Other; (specify)</td> </tr> <tr> <td><input type="checkbox"/></td> <td>We do not outline engagement criteria for our individual engagements</td> </tr> </tbody> </table>	Individual / Internal staff engagements		<input checked="" type="checkbox"/>	Geography/market of the companies	<input type="checkbox"/>	Materiality of the ESG factors	<input type="checkbox"/>	Exposure (size of holdings)	<input checked="" type="checkbox"/>	Responses to ESG impacts that have already occurred	<input type="checkbox"/>	Responses to divestment pressure	<input type="checkbox"/>	Consultation with clients/beneficiaries	<input checked="" type="checkbox"/>	Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)	<input checked="" type="checkbox"/>	Follow-up from a voting decision	<input checked="" type="checkbox"/>	Client request	<input checked="" type="checkbox"/>	Breaches of international norms	<input type="checkbox"/>	Other; (specify)	<input type="checkbox"/>	We do not outline engagement criteria for our individual engagements				
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No

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
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Individual / Internal staff engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
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Collaborative engagements	<input type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input checked="" type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration
Service-provider engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by our service providers

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1 Indicate whether you monitor and/or review engagement outcomes.

Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.
Service-provider engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our service providers.

LEA 05.2 Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Service-provider engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify

LEA 06	Mandatory	Additional Assessed	PRI 2,4
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LEA 06.1 Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

LEA 06.2 Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors

- Voting against the board of directors or the annual financial report
 - Submitting nominations for election to the board
 - Seeking legal remedy / litigation
 - Reducing exposure (size of holdings)
 - Divestment
 - Other; specify
- No

LEA 07	Voluntary	Additional Assessed	PRI 1,2
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LEA 07.1 Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.

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

LEA 07.2 Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing an engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

LEA 07.3 Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.

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

LEA 08	Mandatory	Gateway	PRI 2
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LEA 08.1 Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track
Collaborative engagements	<input checked="" type="checkbox"/> Yes, we track the number of collaborative engagements in full <input type="checkbox"/> Yes, we partially track the number of our collaborative engagements <input type="checkbox"/> We do not track

Service-provider engagements	<input checked="" type="radio"/> Yes, we track the number of service-provider engagements in full <input type="radio"/> Yes, we partially track the number of our service-provider engagements <input type="radio"/> We do not track
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LEA 09	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
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LEA 09.1	Indicate the proportion of companies in your listed equities portfolio with which your organisation engaged during the reporting year.
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	We did not complete any engagements in the reporting year.	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion of companies engaged with, out of total listed equities portfolio
Individual / Internal staff engagements	<input type="checkbox"/> We did not complete any engagements in the reporting year.	40	50
Collaborative engagements	<input type="checkbox"/> We did not complete any engagements in the reporting year.	1	0
Service-provider engagements	<input type="checkbox"/> We did not complete any engagements in the reporting year.	40	50

LEA 09.2	Indicate the breakdown of engagements conducted within the reporting year by the number of interactions (including interactions made on your behalf).
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No. of interactions with a company	% of engagements
One interaction	<input type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input checked="" type="radio"/> 1-10% <input type="radio"/> None
2 to 3 interactions	<input type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input checked="" type="radio"/> 1-10% <input type="radio"/> None
More than 3 interactions	<input checked="" type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
Total	100%

LEA 09.3	Indicate the percentage of your collaborative engagements in which you were the leading organisation during the reporting year.
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Type of engagement	% leading role
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 09.4	Indicate the percentage of your service-provider engagements in which you had some involvement during the reporting year.
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Type of engagement	% of engagements with some involvement
Service-provider engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 09.5	Additional information. [Optional]
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Each year, Phitrust sends a letter to the Chairman of the Board of all 40 companies listed on the French CAC40 index, concerning ESG subjects. These letters are usually sent in December in order to discuss ESG issues that will be presented at the next Annual General Meeting. More specifically, each individual letter contains issues concerning the governance of each company, such as Double Voting Rights, or the separation of executive functions.

The aim of these letters is to challenge the Chairman and the Board of Directors with very specific questions. These letters often lead to one on one meetings with the Chairman of the Board, the Head of Investor Relations, the Group General Counsel and sometimes with the Lead Independent Director or some of the Board Members. The Chief Financial Officer sometimes participates, as well as the Head of Compliance, Ethics and Risk Management of these companies.

In 2019, Phitrust received 15 written responses to these letters, and have met with 16 companies of the CAC40 index.

Phitrust sent written questions to the Boards of Directors of 31 companies on the CAC 40 index for the 2018 General Meetings, concerning their participation in the "Science Based Targets" initiative. As a responsible investor, Phitrust considers that is essential for listed companies to contribute to the undertakings made within the scope of the Paris Agreement signed in 2015 following COP21, by committing to defining objectives for reducing greenhouse gas emissions which are ambitious, significant, consistent with their activity and at least aligned with the "2 degrees" trajectory recognised as essential by the international community.

ESSILORLUXOTTICA :

Since the January 2017 announcement of the merger "between equals" between the ophthalmologic lens manufacturer Essilor International and the glasses company Luxottica, Phitrust warned the Boards and shareholders against what we considered an operation that would lead to taking control without premium to minority shareholders by the family-owned holding company Delfin, and by the not very balance governance of the new entity (with the Board of Directors composed equally with eight directors appointed by Essilor International including the Deputy Chair and Deputy Managing Director (H. Sagnières) and the eight others appointing by Luxottica including the CEO, lead shareholder and the MD of Luxottica (F. Milleri) present in the Board while his alter-ego of Essilor (L. Vacherot) was not). These approaches are expressed not only by direct contact with the Boards, but also by a series of written questions and speeches at the General Meetings of Essilor in 2017 and April 2018, then by a resolution filed at the November 2018 GM of the new entity EssilorLuxottica.

Phitrust's objective is to clarify and better balance the governance of the new company of French-Italian origin (with Luxembourg lead shareholder), leading it to present an original resolution with a so-called "three-sided" effect: it called for the separation of management duties, as they were concentrated in favour of the CEO, Leonardo Del Vecchio, 83 years and owner, via his Luxembourg holding company Delfin, of 31% of voting rights post-merger. The articles of association set the age limit for the positions of Chairperson and Managing Director at 95 years. French law requires that companies set an age limit for board members in their articles of association. Moreover, as French law entrusts only the board with the capacity to separate management duties within a company with board of directors, this resolution could not directly request the separation of these duties.

Our draft resolution therefore asked that the age limit applicable to the Managing Director be reduced to 75 years. This presented several advantages: in view of the age of the Chairman, Leonardo Del Vecchio, he was required to entrust the general management to a third party; this rebalanced the powers in the Board and prevented the blockages we were expecting.

While our resolution has not met the capital invested threshold (0.8%) necessary to be included on the agenda of the Meeting (9 professional shareholders representing 0.32% of the capital invested however co-filed it), the success of this draft and our interventions was to require the CEO of EssilorLuxottica to specify to the meeting of shareholders that there were plans to recruit a Managing Director from outside the group before 2020.

By making this choice not to engage, most investors also chose to let a governance crisis development: it broke out in broad daylight in March 2019, with the CEO attacking the Deputy Chairperson for breach of the merger agreements and requesting arbitration from the CCI. The Deputy Chairperson responded by filing a complaint against certain directors blocking the running of the Board of Directors. This dispute immediately led the share price to drop to €95.50, that is, -22% since the merger (€122.50).

In response to this terrible situation which risked endangering the merger operation, Phitrust decided to propose to the May 2019 Shareholders' Meeting a vote to appoint two independent directors. This unprecedented operation for a CAC 40 company was carried out in liaison with Comgest and five other professional shareholders (Baillie Gifford, Edmond de Rothschild AM, Fidelity, Guardcap, Sycomore). Two resolutions were put forward to elect to the Board the American Wendy Lane (in particular, director of Tyco at the time of its governance crisis) and the Norwegian Jesper Brandgaard (former Financial Director of Novo Nordisk).

Highlighting the need for a more independent and balanced Board of Directors, the co-filers decided to maintain the two resolutions which were not adopted by the meeting on 16 May 2019. Conversely, with a participation rate of 75%, the scores obtained by our resolutions were positive signs: 43.7% for Wendy Lane (A) and 35% for Jesper Brandgaard (B).

LEA 10	Voluntary	Additional Assessed	PRI 2
LEA 10.1	Indicate which of the following your engagement involved.		
<input checked="" type="checkbox"/>	Letters and emails to companies		
	<input type="radio"/> In a minority of cases		
	<input checked="" type="radio"/> In a majority of cases		
	<input type="radio"/> In all cases		
<input checked="" type="checkbox"/>	Meetings and/or calls with board/senior management		
	<input type="radio"/> In a minority of cases		
	<input checked="" type="radio"/> In a majority of cases		
	<input type="radio"/> In all cases		
<input checked="" type="checkbox"/>	Meetings and/or calls with the CSR, IR or other management		
	<input type="radio"/> In a minority of cases		
	<input checked="" type="radio"/> In a majority of cases		
	<input type="radio"/> In all cases		
<input checked="" type="checkbox"/>	Visits to operations		
	<input checked="" type="radio"/> In a minority of cases		
	<input type="radio"/> In a majority of cases		
	<input type="radio"/> In all cases		
<input type="checkbox"/>	Visits to supplier(s) in supplier(s) from the company's supply chain		
<input checked="" type="checkbox"/>	Participation in roadshows		
	<input checked="" type="radio"/> In a minority of cases		

- In a majority of cases
- In all cases
- Other

LEA 10.2	Additional information. [Optional]
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Assessment of actions undertaken 2018/2019

In 2018/2019, Letters were sent to the chairpersons of each CAC 40 company; in total 180 questions were asked.

More specifically, the dialogue continued with 32 of the 40 companies (including 18 meetings with Boards and/or conference calls, and 14 written responses from the Chairpersons of Boards of Directors or Supervisory Boards).

Additionally, four series of written questions were sent to four companies before their general meetings (Carrefour, EssilorLuxottica, Renault, Vivendi). The responses to these written questions were published on the website of the companies in question, or in the minutes of the General Meeting.

In total, 204 questions were asked on a range of varied themes such as the separation of powers, Board member remuneration, capital protection mechanisms (double voting rights, Breton warrants, capital increases during takeover bid period), taxation, business ethics and corruption, the Science Based Targets (SBTi) environmental initiative following the campaign led by Phitrust on this matter, and social inclusion and the company's vigilance plan.

Voting at General Meetings

We were present at the General Meetings of 33 companies, and for the six foreign companies on the CAC 40 (or those holding their GM outside the Greater Paris area) we voted remotely, for a total of 866 resolutions (excluding Pernod-Ricard which will hold its General Meeting in November 2019).

We voted in opposition for 36% of the resolutions (i.e. 309 resolutions), particularly on the issues of Board member remuneration, capital increases during takeover bid periods and the appointment of certain directors (against multiple mandates in particular).

We filed five shareholder resolutions asking to separate management duties at EssilorLuxottica and to appoint two independent directors, and to end the mandates of two directors at Renault (Patrick Thomas) and at Vivendi (Yannick Bolloré).

CONCLUSIONS

2018/2019, an active year for Phitrust which continues its task of dialogue and public engagement with issuers: five resolutions filed, two of them voted in!

- While the subjects have varied little, they highlight the absolute necessity for shareholders to mobilise before general meetings so that they are not surprised by decisions which can be made to their detriment.
- Presenting independent directors was a novelty for Phitrust, an unusual task for minorities. Many bodies in the financial market objected, without mentioning the board members themselves who always have a low level of acceptance of recommendations and campaigns from their shareholders.

With over 20 years of expertise, once again this year the Phitrust and Sicav Phitrust Active Investors France reinforced their image as recognised shareholders for their long-term action and their belligerence in putting forward the subjects referred to them.

Phitrust confirmed its role as whistleblower, for the general public (continuing to raise their awareness via the media), and especially for Sicav investors, who can thus participate in the reflections and benefit from the shared feedback within its Board of Directors.

This "quantitative" result only however illustrates part of the impact (or alpha) of these shareholder engagement campaigns on the running of the companies in question, and therefore on their stock market valuation. Sicav PAI France is a tool for shareholder engagement making it possible to question board members potentially have leverage on the strategic governance of all CAC 40 companies and therefore their environmental and social practices. All CAC 40 companies are therefore present in the portfolio. The over- and under-weightings, reflecting our analysis of their governance and their responsibility on ESG subjects, are not significant. Because the Sicav is also a financial product used for long-term investment on the French equity market with a relatively limited risk for this asset class. The management is in fact based on a quantitative methodology with the objective of offering performance close to that of the CAC 40 index dividends reinvested with more limited volatility (as shown by the volatility data or max drawdown, theoretical maximum loss between the highest fund entry point and lowest exit).

LEA 11	Voluntary	Descriptive	PRI 2
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LEA 11.1	Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.
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Add Example 1

ESG Topic	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Human rights <input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> General ESG <input checked="" type="checkbox"/> Shareholder rights <input checked="" type="checkbox"/> Sustainability reporting <input checked="" type="checkbox"/> Labour practices and supply chain management <input checked="" type="checkbox"/> Anti-bribery and corruption <input checked="" type="checkbox"/> Aggressive tax planning <input checked="" type="checkbox"/> Cyber security <input checked="" type="checkbox"/> Other governance
Conducted by	Individual / Internal

Objectives	<p>Each year, as a part of the annual shareholder engagement campaign, Phitrust sends an annual letter to the Chairman of the Board of all 40 companies listed on the CAC40 index in order to discuss some of the following subjects :</p> <ul style="list-style-type: none"> • Fairness between shareholders : respect of the "one share - one vote principle" (no double or multiple voting rights) • No measures protecting the firm's capital • Separation of executive management functions: Chairman and a CEO ; or Chairman of the Supervisory Board and a Director of the Management Board • Transparent executive compensations and severance packages • Disclosure of the internal compensation equity ratio • Transparent retirement policies • Adequate decisions taken by the Board of Directors following a corruption scandal • Transparent corporate taxation policy • Commitment to the Science Based Targets initiative <ul style="list-style-type: none"> • Participation to the CDP questionnaire • Workforce reductions and redundancy arrangements
Scope and Process	In addition to Phitrust's campaign on the « Science Based Targets » initiative, in which Carrefour and Renault are both committed, the Mutual fund (SICAV) Phitrust Active Investors France submitted several written questions to the board of directors concerning the governance of both companies. Written questions were also sent to the Supervisory Board of Publicis in order to discuss executive compensations.
Outcomes	Ongoing

Add Example 2

ESG Topic	<input checked="" type="checkbox"/> Climate Change
Conducted by	Individual / Internal
Objectives	<p>As a responsible investor, Phitrust believes that it is essential for listed companies to contribute to the commitments made under the Paris Agreement signed in 2015 following the COP21, by agreeing to set Greenhouse Gas (GHG) emissions reduction targets that are ambitious, substantial, compatible with their business activity and in line with the 2-degree emissions target recognised as indispensable by the global community. Therefore, it is important for listed companies to join the Science Based Targets initiative with a common methodology for companies in similar sectors.</p> <p>While most major international companies have set targets to cut GHG emissions or manage energy consumption, very few have taken into consideration the need to hold global average temperature rise below 2°C.</p> <p>In France, four CAC40 companies have joined the initiative, having already determined "Targets Set" (targets approved by the SBT and a commitment to cut their emissions – scopes 1 to 3 – with quantifiable data). 13 other companies have committed to the initiative ("Committed Companies").</p> <p>With regard to financial institutions (banks and insurance companies), the SBTi has stated that it is not yet ready to validate the emissions targets of these institutions (the methodology has not yet been fixed).</p>
Scope and Process	<p>Phitrust, along with the investors of the Phitrust Active Investors France fund, has sent written questions to the executive boards of 31 companies listed on the CAC40 index in preparation of their 2018 Annual General Meetings, encouraging their participation in the Science Based Targets initiative.</p> <p>These shareholder questions should foster awareness of the importance of the climate issue on listed companies' executive boards and encourage them to make objective commitments and submit to science-based target methods and controls, along the trajectory laid out in these major climate agreements.</p> <p>On the basis of the response to these questions, Phitrust will continue, through the exercise of its shareholder rights, to urge issuing companies to adopt this initiative, steer their governance in this direction and inform shareholders of their results.</p>
Outcomes	Ongoing

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

LEA 11.2 Additional information. [Optional]

Phitrust is a long-term shareholder of Total (and of all CAC 40 companies) since 2003. The creation of our shareholder engagement fund was directly linked to the Erika oil spill in 1999 and the difficulty to round up investors to put pressure on Total's Board of Directors to take account of environmental factors. When we wanted to submit a shareholder resolution concerning an environmental theme in 2011, however, the company's legal counsel and advisors told us it was not the right place to do so, as, in accordance with the Commercial Code, the AGM is meant to decide on financial and governance issues only. We were very surprised to see that the majority of lawyers we consulted with agreed with this position.

On several occasions, we were unable to submit resolutions concerning social or environmental topics, which had been rejected by the boards. To overcome this strict vision held by most legal advisors and lawyers, it is necessary that the legislator enable companies who wish to do so, or their shareholders who request it, to be able to submit resolutions that concern the corporate mission. It is important that this possibility be made available to all companies, with no limiting factors.

Refusing to open the debate in general meetings may signify that the board of directors does not consider that the shareholders have the necessary competency, or that it does not feel that it is elected by them or owe them anything. In these two cases, this shows that shareholders are not truly

considered as such and that it is urgent to broaden exchanges in the general meetings to real social debates so that companies realise the need to participate, as much as they can, in improving our world.

This is fully in line with the active role advocated by the UN (with the PRI) and the Shareholder Rights Directive adopted by the European Parliament in 2017 and that will be transposed into French law. These two initiatives (engagement of the parties for the PRI and regulation for the directive) were set up so that shareholders can take back their rights and implement them, as asset managers, insurers and pension funds have a fiduciary duty toward their principals.

NON-FINANCIAL STRATEGY OF THE SICAV

Studies demonstrated that in the long term governance progress leads to better valuation of the companies. Conversely, malfunctioning in the governance of major European companies had a significant negative effect on their stock market valuation. The SICAV therefore seeks to identify the governance progress and campaigns that may be conducted towards the companies in the portfolio to improve their governance and in the long term their stock market valuation.

The SICAV has defined its own governance benchmark framework based in particular on the principles upheld by the major institutional investors and most benchmarks published. A Technical Committee bringing together the manager and the voting advisory company Proxinvest proposed to the Board of Directors of the Sicav the governance improvement campaigns that may be implemented with the portfolio companies. The Board of Directors of the Sicav decides on these campaigns, in order to maintain constructive and sustainable dialogue with the boards of these companies.

The management aims to overweight companies meeting the best global governance standards and which are reactive to their shareholders' campaigns. Conversely, companies of which the governance does not make positive progress and which are not reactive to the Sicav's campaigns are underweighted in the portfolio.

LEA 12	Mandatory	Descriptive	PRI 2
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LEA 12.1	Indicate how you typically make your (proxy) voting decisions.
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Approach

We use our own research or voting team and make voting decisions without the use of service providers.

Based on

- Our own voting policy
- Our clients' requests or policies
- Other (explain)

- We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.
- We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- We hire service providers who make voting decisions on our behalf.

LEA 12.2	Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.
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PhiTrust's voting policy is based on our guiding principles. We tend to physically participate in all AGMs of the companies in which we are invested.

Public offering imposes on companies a duty of transparent communication and fair treatment of their shareholders for the medium and long term, and to submit accounts at the annual general shareholders meeting. Shareholders can then collectively support or reject the resolutions presented.

After having defined with each of our investors a voting policy corresponding to its principles, Phitrust makes a recommendation to those who wish to participate in resolutions or amendments that have been previously discussed with each company. These initiatives may include changes to be made by the board of directors (incentive initiatives) or a change in statutes (change initiatives).

Public issued companies have a certain number of obligations towards their shareholders: honest communication strategy, fair treatment of shareholders over the medium to long term - and must report to them at AGMs. Shareholders can therefore collectively support or reject certain resolutions depending on whether or not these obligations are upheld.

Phitrust offers each of its investors, with whom it has drawn up a voting policy, to take part in collective resolution filing or amendments for better corporate governance. Such initiatives might aim to:

- Change company by-laws 'binding initiatives'
- Encourage Board members to bring about the necessary changes, 'non-binding initiatives'

LEA 12.3	Additional information.[Optional]
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After a detailed analysis of each company in the portfolio, Phitrust votes directly, either in person or on the online voting platform provided by Proxinvest or by the Depository Bank to all the French AGMs of our portfolio with the recommendation of our technical committee represented by Proxinvest.

For European equities, we use the ECGS platform and send our voting instructions to our Depository Bank.

LEA 14	Voluntary	Additional Assessed	PRI 2
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LEA 14.1	Does your organisation have a securities lending programme?
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- Yes
- No

LEA 14.2	Describe why your organisation does not lend securities.
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Phitrust never lends or borrows Securities.

LEA 15	Mandatory	Descriptive	PRI 2
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LEA 15.1	Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.
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- 100%

- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2 Indicate the reasons for raising your concerns with these companies ahead of voting.

- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request
- Other

LEA 16 **Mandatory** **Core Assessed** **PRI 2**

LEA 16.1 Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 16.2 Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

LEA 16.3 In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.

- Yes
- No

LEA 17 **Mandatory** **Core Assessed** **PRI 2**

LEA 17.1 For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

Votes cast (to the nearest 1%)
99%

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which you could have issued instructions
- Of the total number of company meetings at which you could have voted
- Of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 17.2 Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received on time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost

- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other (explain)

LEA 18	Voluntary	Additional Assessed	PRI 2
LEA 18.1	Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.		
	<input checked="" type="checkbox"/> Yes, we track this information		
LEA 18.2	Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:		
	Voting instructions Breakdown as percentage of votes cast		
	For (supporting) management recommendations 66%		
	Against (opposing) management recommendations 34%		
	Abstentions 0%		
	<input type="checkbox"/> No, we do not track this information		
LEA 18.3	In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.		
	100		

LEA 19	Mandatory	Core Assessed	PRI 2
LEA 19.1	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.		
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

LEA 20	Voluntary	Descriptive	PRI 2
LEA 20.1	Indicate whether your organisation, directly or through a service provider, filed or co-filed any ESG shareholder resolutions during the reporting year.		
	<input checked="" type="checkbox"/> Yes		
LEA 20.2	Indicate the number of ESG shareholder resolutions you filed or co-filed.		
	5		
	<input type="checkbox"/> No		
LEA 20.3	Indicate what percentage of these ESG shareholder resolutions resulted in the following:		
	Went to vote 50%		
	Were withdrawn due to changes at the company and/or negotiations with the company 50%		
	Were withdrawn for other reasons 0%		
	Were rejected/not acknowledged by the company 0%		
LEA 20.4	Of the ESG shareholder resolutions that you filed or co-filed and that were put to a vote (i.e., not withdrawn), indicate the percentage that received approval:		
	02		
LEA 20.5	Describe the ESG shareholder resolutions that you filed or co-filed, and the outcomes achieved.		
	<p>Phitrust filed five shareholder resolutions asking to separate management duties at EssilorLuxottica and to appoint two independent directors, and to end the mandates of two directors at Renault (Patrick Thomas) and at Vivendi (Yannick Bolloré).</p> <p>At EssilorLuxottica's AGM, both resolutions had the need for a more independent and balanced Board of Directors, the co-filers decided to maintain the two resolutions which were not adopted by the meeting on 16 May 2019. Conversely, with a participation rate of 75%, the scores obtained by our resolutions were positive signs: 43.7% for Wendy Lane (A) and 35% for Jesper Brandgaard (B).</p> <p>Valoptec, the holding company of former employees and retirees of Essilor (4.3% of voting rights; 5.73% at this meeting) initially supported both our resolutions and presented Peter Montagnon (deceased shortly after the meeting) as another independent director, then incomprehensibly did a U-turn and announced before the GM it would vote against our resolutions: they prevented the election of Wendy Lane. By breaking down the Delfin (32% of capital, i.e. 42.7% of voting rights) and Valoptec (5.73%) votes, it was observed that the resolution garnered almost 90% of minority votes.</p>		
LEA 20.6	Describe whether your organisation reviews ESG shareholder resolutions filed by other investors.		
	<p>Phitrust is the only asset manager to have filed 45 draft resolutions in France since 2003 to date, and is recognised as one of the pioneers of shareholder engagement in Europe. We act with the directors of CAC40 companies to change certain governance practices that appear to create imbalances or inequities for their minority shareholders and all stakeholders.</p> <p>2018/2019, an active year for Phitrust which continues its task of dialogue and public engagement with issuers: five resolutions filed, two of them voted in!</p> <p>While the subjects have varied little, they highlight the absolute necessity for shareholders to mobilise before general meetings so that they are not surprised</p>		

by decisions which can be made to their detriment.

Presenting independent directors was a novelty for Phitrust, an unusual task for minorities. Many bodies in the financial market objected, without mentioning the board members themselves who always have a low level of acceptance of recommendations and campaigns from their shareholders.

With over 20 years of expertise, once again this year the Phitrust and Sicav Phitrust Active Investors France reinforced their image as recognised shareholders for their long-term action and their belligerence in putting forward the subjects referred to them.

LEA 20.7 Additional information. [Optional]

Phitrust confirmed its role as whistleblower, for the general public (continuing to raise their awareness via the media), and especially for Sicav investors, who can thus participate in the reflections and benefit from the shared feedback within its Board of Directors.

Phitrust, along with the investors of the Phitrust Active Investors France fund, has sent written questions in 2018 to the executive boards of 31 companies listed on the CAC40 index in preparation of their 2018 Annual General Meetings, encouraging their participation in the Science Based Targets initiative.

As a responsible investor, Phitrust believes that it is essential for listed companies to contribute to the commitments made under the Paris Agreement signed in 2015 following the COP21, by agreeing to set Greenhouse Gas (GHG) emissions reduction targets that are ambitious, substantial, compatible with their business activity and in line with the 2-degree emissions target recognised as indispensable by the global community.

The Science Based Targets initiative is an international collaboration launched in the wake of the Paris Climate Agreement of 12 December 2015 by the World Wildlife Fund (WWF), the UN Global Compact, the World Resources Institute (WRI) and the CDP (former Carbon Disclosure Project). The initiative aims to set scientific targets of a company's GHG reduction potential in accordance with its business activity and in line with the Paris Agreement's target of limiting global temperature rise to 2°C.

While most major international companies have set targets to cut GHG emissions or manage energy consumption, very few have taken into consideration the need to hold global average temperature rise below 2°C.

In the first quarter of 2018, 362 companies worldwide joined the Science Based Targets initiative, thereby committing to align their quantitative targets with the trajectory of keeping average global warming below 2°C. 96 of these companies have already had their targets approved by the SBT scientific committee.

In France, four CAC40 companies have joined the initiative, having already determined "Targets Set" (targets approved by the SBT and a commitment to cut their emissions – scopes 1 to 3 – with quantifiable data). 13 other companies have committed to the initiative ("Committed Companies").

With regard to financial institutions (banks and insurance companies), the SBT initiative has stated that it is not yet ready to validate the emissions targets of these institutions (the methodology has not yet been fixed and their footprint is less significant); Phitrust has submitted specific questions to these institutions.

These shareholder questions should foster awareness of the importance of the climate issue on listed companies' executive boards and encourage them to make objective commitments and submit to science-based target methods and controls, along the trajectory laid out in these major climate agreements.

On the basis of the response to these questions, Phitrust will continue, through the exercise of its shareholder rights, to urge issuing companies to adopt this initiative, steer their governance in this direction and inform shareholders of their results.

LEA 21 Voluntary Descriptive PRI 2

LEA 21.1 Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

Add Example 1

ESG Topic	<input checked="" type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> General ESG <input checked="" type="checkbox"/> Shareholder rights <input checked="" type="checkbox"/> Labour practices and supply chain management
Conducted by	Individual/Internal
Objectives	<p>Phitrust Active Investors France has submitted several written questions to the board of directors concerning the governance of CARREFOUR.</p> <ol style="list-style-type: none"> The first question concerns the concomitance of the attribution of a non-competition compensation of €4 million and the retirement package of George Plassat, who has ceased his duties as Chairman and CEO at the age of 68. Taking into consideration Mr Plassat's age, this payment (Resolution N°18) gives the impression to be a disguised retirement benefit, which does not respect the French Afep-Medef Governance Code. On the Board's policy for the remuneration of Directors, in which various elements are not sufficiently precise, therefore, Phitrust asks the question of aligning the compensation of Carrefour's executives with the compensations of their employees. Concerning Carrefour's restructuring plan, many shareholders are worried about the successful completion of this plan, and more specifically on the take-back conditions of Carrefour's employees, who will be brought to join franchisees. Phillippe Houzé has been nominated as a Lead Independent Director, however, he represents a reference shareholder, and therefore cannot be considered as independent. The nomination of a Lead Independent Director, exempt from any conflict of interest, would therefore be more efficient.
Scope and Process	<p>Phitrust expects that Carrefour's Board of Directors will bring adequate answers to these questions by adopting the above proposals, which would be greatly appreciated by all shareholders and institutional investors.</p> <p>What was observed at Carrefour is that these long-term habits of high remuneration for board members (in a group where the average remuneration is low) and concentration of powers do not happen when the board members are renewed.</p> <p>Finally, we could wonder what is the role of minorities, except the group of the three main shareholders holding together (pact?) 36% of voting rights: Moulin family (15.3%), Arnault Group (8.4%) and Peninsula (A. Diniz): 12%.</p>
Outcomes	Ongoing

Add Example 2

ESG Topic	<input checked="" type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> General ESG <input checked="" type="checkbox"/> Shareholder rights <input checked="" type="checkbox"/> Other governance
Conducted by	Individual/Internal
Objectives	<p>RENAULT</p> <p>Since 2009, Sicav Phitrust Active Investors, in liaison with several other minority shareholders, intervened publicly with Renault's Board of Directors to alert to the weaknesses of the company's governance structure, emphasising in particular:</p> <ul style="list-style-type: none"> • the lack of transparency for the remuneration of Carlos Ghosn, CEO from 2009 to 2018, • the too strong concentration of management of the Renault-Nissan ensemble in a single person, • the absence of positions or persons providing counter-power, • the imbalance caused by the 2015 renegotiation of the stabilisation agreements (RAMA) of the Renault-Nissan Alliance depriving Renault of some of its director rights at Nissan. <p>Like all the minority shareholders, we took note of the failings of the Board of Directors on all the subjects mentioned above and in particular the 54% rejection of Carlos Ghosn's remuneration in the "Say on pay" vote at the 2016 General Meeting. Despite this vote, the Renault Board of Directors nevertheless immediately maintained the remuneration level of the CEO (€7.2m). In 2016 the Remuneration Committee was chaired by Patrick Thomas. Appointed director in 2014, then renewed in 2018 until 2022, he is now leaving his position as chair of the Remuneration Committee.</p>
Scope and Process	<p>Voting against the resolutions at the AGM.</p> <p>Phitrust expects that Renault's Board of Directors will bring adequate answers to these questions by adopting the above proposals, which would be greatly appreciated by all shareholders and institutional investors.</p>
Outcomes	Ongoing

Add Example 3

ESG Topic	<input checked="" type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> General ESG <input checked="" type="checkbox"/> Shareholder rights <input checked="" type="checkbox"/> Anti-bribery and corruption
Conducted by	Individual/Internal
Objectives	<p>Since 2015 in particular (with our resolution on maintaining the simple voting right which had received 51% of votes), Phitrust has emphasised the unsatisfactory organisation of the company's governance and the manoeuvres of the Bolloré group to take control of Vivendi without respecting the investment made by the minority shareholders, a tactic which gave rise to a reminder from the European Commission in a text on mergers.</p> <p>The organisation of Vivendi's governance is not satisfactory; it is functioning today "the wrong way round" and does not respond to the logic of separation of powers, approved by the shareholders at the 2005 General Meeting with the creation of a Supervisory Board and a Board of Directors. In fact, in a dual governance structure with Supervisory Board and Board of Directors, the role of major shareholders is to sit on the Supervisory Board and the role of operational directors is to be members of the Board of Directors. Vivendi practices exactly the opposite. We had already flagged this point in an interview with Vincent Bolloré in 2017. Since his departure as Chairman of the Supervisory Board in 2018, the Supervisory Board of Vivendi has been chaired by his son, Yannick Bolloré.</p>
Scope and Process	<p>After unsuccessful dialogue on this subject, Phitrust filed a resolution aimed at ending early the mandate of the Supervisory Board member Mr Yannick Bolloré, who is also CEO of the subsidiary Havas.</p> <p>Adopting this resolution should provide clarification on the company's governance.</p> <p>Our resolution was not included on the 2019 GM agenda as it was only supported by five professional shareholders representing 0.2% of the capital invested.</p> <p>In addition to this draft resolution, Phitrust asked written questions about the organisation of governance and about the plan for share buyback on 25% of Vivendi's capital invested which would enable the Bolloré group to pass the threshold of 30% without launching a public bid; this manoeuvre echoes an identical operation carried out when Vivendi took control of Havas in July 2017, using with the agreement of the AMF an option to be exempt from the launch of a compulsory public bid under a "passive crossing of threshold".</p> <p>However, there is not much chance of Vivendi's governance changing, as it is in fact controlled by the family-owned group of Vincent Bolloré.</p> <p>It appears necessary to implement balanced governance giving way to the minority shareholders and readjust the decision-making and control powers.</p>
Outcomes	Ongoing

Add Example 4

Add Example 5

Add Example 6

- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

LEA 21.2 Additional information. [Optional]

Once again this year, executive compensation has created a media buzz about some emblematic cases, because they are too decorrelated from the economic and social reality of the company. The opportunity given to shareholders to vote for or against 2017 and 2018 compensation, with the "say on pay", showed the limits of this exercise, given the scores obtained for said resolutions.

At Carrefour's AGM in June 2018, Georges Plassat was awarded more than €13 million by 68% of the shareholders, including a non-compete bonus of €3.9 million, and an annual pension of €520,000. Even though the company is going through a deep crisis, closing many DIA stores (which Georges Plassat had validated the purchase of five years ago...), it is proposing a significant voluntary departure plan and the new CEO is tightening on costs, and therefore wages.

Phitrust has reacted, with only very few shareholders, against these much-too-high compensation amounts, paid despite the failure of the development plans implemented by the CEO. How is it that the institutional and private investors not represented on the Board of Directors, who have a large majority, have not opposed the Board's proposals? How is it that investors approve these proposals without examining them? How can we believe that, given the amounts granted, the compensation committees do not provide for any clause in the event of a lack of results, site closures, "planned" departures or dismissals, obvious signs of strategic or management errors?

It took the Medef, the Minister of the Economy, Bruno Mayor, and the media publicly protesting the results of this vote for Mr Georges Plassat to decide not to collect his non-compete compensation, which brought his 2017 salary to €9 million! Not bad for a company in deep trouble...

Since 2009, Sicav Phitrust Active Investors, in liaison with several other minority shareholders, intervened publicly with the Board of Directors to alert to the weaknesses of the company's governance structure, emphasising in particular:

- the lack of transparency for the remuneration of Carlos Ghosn, CEO from 2009 to 2018,
- the too strong concentration of management of the Renault-Nissan ensemble in a single person,
- the absence of positions or persons providing counter-power,
- the imbalance caused by the 2015 renegotiation of the stabilisation agreements (RAMA) of the Renault-Nissan Alliance depriving Renault of some of its director rights at Nissan.

Like all the minority shareholders, we took note of the failings of the Board of Directors on all the subjects mentioned above and in particular the 54% rejection of Carlos Ghosn's remuneration in the "Say on pay" vote at the 2016 General Meeting. Despite this vote, the Renault Board of Directors nevertheless immediately maintained the remuneration level of the CEO (€7.2m).

In 2016 the Remuneration Committee was chaired by Patrick Thomas. Appointed director in 2014, then renewed in 2018 until 2022, he is now leaving his position as chair of the Remuneration Committee. He has been a member of the Renault Board of Directors since 2014; in this capacity, he chaired the Remuneration Committee and was a member of the Audit, Risks and Ethics and Appointments and Governance Committees. In 2018, he only held 100 Renault shares (€8,388 based on the price as at 15/06/2018) while the amount of his directors' fees rose for the year 2018 alone to €75,766.

The Chairman & CEO, Carlos Ghosn saw his 2017 remuneration voted by a very narrow majority (56.50%). The French government, which has 15% of the capital, announced that it would vote against it. This has probably led institutional investors to follow suit, taking into account the fact that the state is on the Board of Directors, and therefore well advised! The 2018 compensation, which has fallen, was voted at 87.89%, a sign that shareholders expected a gesture of moderation, even if the company achieved excellent financial and economic results. We note that Carlos Ghosn worked for Renault, also sharing his time at Nissan and Mitsubishi... In addition, at Renault, no mention is made of a possible challenge to variable compensation related to environmental risk, as with other automobile manufacturers...

Without prejudging the judicial outcome of the "Ghosn case" which began on 19 November 2018, it appears certain that the Board of Directors showed the former CEO that it was not capable of ensuring the lead board member accept a sovereign decision by the shareholders. Since we reported the poor organisation of governance, some historical directors (Marc Ladreit de Lacharrière, Dominique de la Garanderie, Alain Belda) had already left the Board in previous years, making way for new directors in 2017 and 2018.

After the arrest of Carlos Ghosn in Japan, in November 2018 the Board of Directors decided to appoint a new Chairperson, Jean-Dominique Senard, and separate the duties of Chairperson of the Board of Directors and Managing Director.

Here we are dealing with a basic principle that does not apply to any manager of large listed companies: the amounts of variable compensation are allocated according to complex criteria and are never significantly reduced, or even eliminated, in the event of economic counter-performance (Carrefour), proven environmental risk (Renault) or dismissals...

Investors, however, vote to keep these very high amounts, convinced that this is the only way to keep good leaders and directors. The fact that these compensation figures are 3 to 5 times higher than a few years ago would be the cost of the value created during this period... This may be the case for some, if they had realised the results themselves and not thanks to their less well-paid teams. But what about companies that are currently facing storms (Carrefour), seeing their strategy questioned (Engie), or who are closing down sites (Lafarge-Holcim, TechnipFMC, etc.)? The list is long and shareholder inconsistency is a serious issue: mismanagement does not result in financial consequences for these "managing directors"!

LEA Checks

Checks

- If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

CM1 01	Mandatory	Additional Assessed	General				
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:						
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified <input type="checkbox"/> Selected data has been internally verified <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above							
CM1 02	Mandatory	Descriptive	General				
CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report						
<input type="radio"/> Whole PRI Transparency Report was assured last year <input type="radio"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="radio"/> We did not assure last year's PRI Transparency report <input type="radio"/> None of the above, we were in our preparation year and did not report last year.							
CM1 03	Mandatory	Descriptive	General				
CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:						
<input type="checkbox"/> We adhere to an RI certification or labelling scheme <input type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report <input type="checkbox"/> ESG audit of holdings <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> None of the above							
CM1 04	Mandatory	Descriptive	General				
CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?						
<input type="radio"/> Whole PRI Transparency Report will be assured <input type="radio"/> Selected data will be assured <input checked="" type="radio"/> We do not plan to assure this year's PRI Transparency report							
CM1 07	Mandatory	Descriptive	General				
CM1 07.1	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed						
<input checked="" type="checkbox"/> CEO or other Chief-Level staff <table border="1" style="margin-left: 20px;"> <tr> <td>Sign-off or review of responses</td> </tr> <tr> <td> <input checked="" type="checkbox"/> Sign-off <input checked="" type="checkbox"/> Review of responses </td> </tr> </table> <input type="checkbox"/> The Board <input checked="" type="checkbox"/> Investment Committee <table border="1" style="margin-left: 20px;"> <tr> <td>Sign-off or review of responses</td> </tr> <tr> <td> <input checked="" type="checkbox"/> Sign-off <input checked="" type="checkbox"/> Review of responses </td> </tr> </table> <input checked="" type="checkbox"/> Compliance Function <input checked="" type="checkbox"/> RI/ESG Team <input checked="" type="checkbox"/> Investment Teams <input type="checkbox"/> Legal Department <input type="checkbox"/> Other (specify)				Sign-off or review of responses	<input checked="" type="checkbox"/> Sign-off <input checked="" type="checkbox"/> Review of responses	Sign-off or review of responses	<input checked="" type="checkbox"/> Sign-off <input checked="" type="checkbox"/> Review of responses
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