

# SRI label supported by public authorities



## Label standards

Publication date: 1 March 2024

Commencement Date: 1 March 2024

Items highlighted in yellow represent new features or changes compared with the October 2020 version of the standard.

**This translated version to English is made for information purposes only. Only the French version is legally valid.**

## I. ELIGIBILITY CRITERIA

### A) Securities asset management funds

Title	Requirements	Information required	Inspection points, inspection method, procedure for concluding whether a requirement or criterion has been met
I. Eligible funds	<p>The following funds are eligible:</p> <ul style="list-style-type: none"> <li>i. Funds covered by the UCITS Directive</li> <li>ii. Alternative investment funds (AIF) that do not have a substantial leverage effect as defined by the AIFM Directive and that are defined by French law as : <ul style="list-style-type: none"> <li>- general investment funds (<i>Fonds d'Investissement à Vocation Générale - FIVG</i>)</li> <li>- specialised professional funds (<i>Fonds Professionnels Spécialisés - FPS</i>)</li> <li>- general professional funds (<i>Fonds Professionnels à Vocation Générale - FPVG</i>)</li> <li>- specialised financing vehicles (<i>Organismes de Financement Spécialisé - OFS</i>)</li> </ul> </li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>- employee savings funds</li> </ul>	KIID/KID, Prospectus, Regulations	<p>Where applicable, check that the record/authorisation exists in the GECO database of the AMF</p> <p>The auditor checks that the fund is a UCITS covered by the UCITS IV Directive (2009/65/EC) or an Alternative Investment Fund (2011/61/EU) authorised for sale in France, a general investment fund covered by Article L. 214-24-24 of the French monetary and financial code (<i>Code Monétaire et Financier - CMF</i>) or a specialised professional fund covered by Article L. 214-154 of the French monetary and financial code or a general professional fund covered by Article L. 214-143 of the French monetary and financial code or a specialised financing vehicle covered by Article L. 214-166 of the French monetary and financial code or an employee savings fund covered by Article L. 214-163 of the French monetary and financial code.</p>
II. Label promotion body	Commit to becoming a member of the label promotion body.	Written membership commitment.	<p>Check that the commitment exists.</p> <p>In the case of master-feeder funds, the membership commitment is not due from the master if the fund is not distributed (but membership is still possible).</p>

<p>III. Cases individuals</p>	<p><b>i. Mixed corporate/sovereign funds</b></p> <p>All types of ‘green’ bonds fall within the scope of SRI assets covered by the label: those issued by companies, local authorities and public government or international agencies.</p> <p>In addition to green bonds, up to 70% of the portfolio may be made up of sovereign debt securities that have been subject to an ESG assessment, and the remaining securities in the portfolio are also subject to ESG assessment.</p> <p>If debt securities and government debt have not been subject to an ESG assessment, then they may only represent a maximum of 50% of the portfolio and the securities making up the remaining portfolio will be subject to an ESG assessment.</p> <p>Other sovereign debt (supranational, local authorities, agencies, etc.) is not covered by these ratios and must therefore be systematically subject to an ESG assessment.</p> <p><b>ii. Fund of funds or multi-management</b></p> <p>Funds of funds must be at least 90% invested in funds that have the SRI label or a European label recognised as equivalent by the label owner.</p> <p>They must also demonstrate the consistency of the SRI approach deployed across the various target funds invested in, in particular by ensuring that their total assets, identified through transparency, comply with the measurability criteria set out in II A 3.1 (criteria relating to the share of issuer analysis and reduction of the ESG investable universe or significant improvement in the weighted ESG rating compared to the initial investment universe).</p> <p><b>iii. Feeder funds</b></p> <p>Feeder funds are eligible for the label if the master fund is eligible for the label, subject to the feeder’s management fees.</p> <p><b>iv. Social Impact assets (i.e. “actifs solidaires”)</b></p> <p>French social impact assets may not exceed 10% of total assets when they are not subject to an ESG assessment.</p>	<p>Portfolio statement and Prospectus</p> <p>DICI/DIC, Prospectus, Regulations</p>	<p>The auditor verifies the portfolio's composition in terms of the eligibility of the underlying funds.</p> <ul style="list-style-type: none"> <li>- Verification that the funds invested in are in fact labelled.</li> <li>- Verification of compliance with the 90% ratio of SRI-labelled funds (excluding the cash portion held by the fund).</li> </ul> <p>The auditor checks that this information is in the fund's regulatory documentation (KIID/KID, Prospectus, Regulations).</p> <p>When compliance with a quantitative standard is required and the applicant fund has not been operating long enough to demonstrate compliance with the standard, the criterion is deemed to have been met if the applicant fund, as part of the internal control procedures put in place by the management company to ensure the funds' compliance with the SRI guidelines, commits to ensure compliance with the standard and provides the auditor with evidence of compliance with these standards no later than 12 months after the label has been awarded. This evidence is to be sent to the accreditation bodies. This calculation may be carried at the same time as the eligibility verification if the fund has been operating long enough.</p> <p>Green” bonds are defined in accordance with the criteria of the Green Bond Principles (GBP) of the International Capital Market Association (ICMA).</p> <p>To assess “long-term” compliance with a quantitative standard, the certifier or auditor examines the average of this standard during the</p>
-------------------------------	---	--	---

			12 months preceding its application to receive the label.
--	--	--	---

## B) Real estate asset management funds

Title	Requirements	Information required	Inspection points, inspection method, procedure for concluding whether a requirement or criterion has been met
I. Eligible funds	<p>The following are eligible:</p> <ol style="list-style-type: none"> <li>i. Real Estate Alternative Investment Funds (AIF) sold in France and in Europe covered by the AIFM Directive or equivalent for funds marketed outside the European Union,</li> <li>ii. Management mandates regarding real estate assets.</li> </ol> <p>Criteria related to asset composition:</p> <p>The funds' assets consist mainly of real estate assets held directly (properties) or indirectly (via property-based companies), located within or outside France, in a single sector or of various types (office, retail, housing, etc.).</p> <p>In the case of OPCI funds, depending on the legal form of the fund (SPPICAV or FPI), at least 51% (SPPICAV) or 60% (FPI) of the funds' assets are made up of real estate assets held directly (properties) or indirectly (via property-based companies) and at least 5% of the funds' assets are cash (SPPICAV and FPI). The balance may consist of financial assets (equities, bonds, UCITS and/or FIVG, etc.).</p> <p>If the proportion of "other assets" is greater than 10%, the management company must:</p> <ul style="list-style-type: none"> <li>- transparently disclose the percentage of the fund's assets (in value) covered by the real estate SRI label,</li> <li>- have put in place, as a minimum, for other asset classes, an approach that complies with the requirements set out in criterion 3.1 of the criteria for the labelling of movable</li> </ul>	<p>Contractual and regulatory documentation for the fund: Prospectus (OPCI), information memorandum (SCPI), key information document or key investor information document (SCPI and OPCI/OPPCI), articles of association/registration with the RCS (property FIA "by object"), management mandate agreement, etc. For start-up funds: draft contractual and regulatory documentation</p>	<p>Check that the record/authorisation exists in the GECO database of the French financial markets authority (Autorité des Marchés Financiers - AMF) for AIF in real estate "by nature" or the registration in the Trade and Companies Register (RCS) and the SIREN number in the INSEE database for AIF in real estate "by object". Check that the record or authorisation exists in the equivalent databases for funds sold in other countries</p> <p>Check that the fund is indeed an AIF covered by the AIFM Directive authorised for sale in the European Union or equivalent for funds sold outside the European Union.</p> <p>Check that there is a civil law contract between the manager (the representative) and its client (the principal) in the context of management mandates.</p> <p>Check the fund's assets for existing funds or the fund's contractual and regulatory documentation (KIID/KID, Prospectus, Regulations, Information) for funds in formation to verify the eligibility of the assets.</p> <p>In the case of an OPCI, if the percentage of "other assets" is greater than 10%, check that the information requested is indeed communicated in the regulatory and commercial documents to investors and distributors and that an approach that complies</p>

	asset management funds or invest in funds with the SRI label.		with the requirements of the securities SRI label has been put in place for other asset classes.
II. Label promotion body	Commit to becoming a member of the label promotion body	Written membership commitment.	Check that the commitment exists. In the case of master- feeder funds, the membership commitment is not due from the master when the fund is not distributed (but membership is still possible).
III. Special cases	<p><b>i. Funds of funds or multi-management funds</b></p> <p>Funds of funds must be at least 90% invested in funds that have the SRI label or a European label recognised as equivalent by the label owner.</p> <p>If the proportion of “other assets” exceeds 10%, the management company must:</p> <ul style="list-style-type: none"> <li>- transparently disclose the percentage of the fund’s assets (in value) covered by the real estate SRI label,</li> <li>- have put in place, as a minimum, an approach that complies with the requirements of the securities SRI label for other asset classes.</li> </ul> <p><b>ii. Feeder funds</b></p> <p>Feeder funds are eligible for the label if the master fund is eligible for the label, subject to the feeder’s management fees.</p>	Portfolio statement showing, for each fund, the name of the label obtained or applied for, and prospectus.	<p>Check the composition of the portfolio in terms of the eligibility of the underlying funds, i.e.:</p> <p>the funds invested in are indeed labelled or have applied for a label,</p> <p>the 90% ratio in value of SRI-labelled funds is respected.</p> <p>When compliance with a quantitative standard is required and the applicant fund has not been operating long enough to demonstrate compliance with the standard, the criterion is deemed to have been met if the applicant fund, as part of the internal control procedures put in place by the management company to ensure the funds’ compliance with the SRI guidelines, commits to ensure compliance with the standard and provides the auditor with evidence of compliance with these standards no later than 12 months after the label has been awarded. This calculation may be carried at the same time as the eligibility verification if the fund has been operating long enough.</p> <p>To assess “long-term” compliance with a quantitative standard, the certifier examines the arithmetic or geometric average, as the case may be, of the monthly averages of this standard during the 12 months preceding the application to award the label.</p>

### C) Management mandates

Title	Requirements	Information required	Inspection points, inspection method, procedure for concluding whether a requirement or criterion has been met
I. Eligible contracts	Discretionary management contracts within the meaning of Article L. 321-1 of the French monetary and financial code are eligible.	Portfolio statement and discretionary management agreement.	The auditor checks that the portfolio management service is a discretionary management service as defined by Article L. 321-1 of the French monetary and financial code.
II. Eligibility Application	Eligibility applications are initiated by the principal itself, in the case of mandates concluded with professional clients as defined by Article D. 533-11 of the French monetary and financial code, in particular on behalf of institutional investors investing on their own account.		
III. Label promotion body	Commit to becoming a member of the label promotion body.	Written membership commitment.	Check that the commitment exists. In the case of master-feeder funds, the membership commitment is not due from the master when the fund is not distributed (but membership is still possible).

## II. LABELLING CRITERIA

### A) Securities asset management funds

Criterion N°	Criteria	Information required, standards to meet	Inspection points, inspection method, procedure for concluding whether a requirement or criterion has been met
<b>Pillar I- The objectives targeted by the fund by taking ESG criteria into account for issuers</b>			
1	<p>Criterion 1- The general, financial and specific ESG objectives sought by taking ESG criteria into account in the investment policy are clearly described in the regulatory and commercial documents intended for investors.</p>	<p>a) The applicant provides regulatory documentation (KIID/KID, prospectus or regulations), commercial documents or commercial documents projects, and answers the following questions:</p> <ol style="list-style-type: none"> <li>i. What are the general objectives targeted by taking ESG criteria into account in the investment policy, including, where applicable, the monitoring of issuers' ESG performance (see Pillar VI)? How are they defined and described to investors?</li> <li>ii. Do you have objectives of a financial nature (medium-term outperformance, risk reduction, or profitability/risk trade-off, etc.) or other objectives (ethical, etc.) linked to taking ESG criteria into account? If so, what are they and how are they defined and described to investors?</li> <li>iii. What are the...: <ul style="list-style-type: none"> <li>- environmental,</li> <li>- social (human resources and human rights),</li> <li>- corporate governance,</li> </ul> ...objectives targeted by taking ESG criteria into account in the investment policy?  How are these objectives defined and described to investors? </li> </ol> <p>b) The ESG objectives of the applicant fund are consistent with the concept of double materiality. To this end, the applicant fund provides the information needed to demonstrate:</p> <ol style="list-style-type: none"> <li>i. that it takes into account the environmental, social and governance risks that may have a negative impact on the financial value of its investments. As such, it provides the elements presenting how sustainability risks are integrated into its investment decisions, within the meaning of Article 3(1) of European Regulation (EU) 2019/2088,</li> </ol>	<p>Check the completeness and quality of information provided by the applicant in respect of the documentation required and the questions asked.</p> <p>The auditor checks that the documentation addresses points (i) to (iii).</p> <p>An applicant fund that does not declare specific objectives <b>for each of the three environmental, social and governance pillars</b> does not meet this criterion.</p>

		<p>ii. it takes into account the effect of its investments on criteria E, S and G. As such, it shall demonstrate the taking into account of the principal adverse impacts, as defined in Article 7(1)(a) of European Regulation (EU) 2019/2088. In this context, where the information referred to in Article 11(2) of the same Regulation includes a quantification of the principal adverse impacts on sustainability factors, this information shall be based on the provisions of the regulatory technical standards adopted pursuant to Article 4(6) and (7).</p> <p>c) The portfolio must have achieved a better result on two principal adverse impact sustainability indicators (as described by European Regulation (EU) 2019/2088 and defined by the technical standards referred to in Article 4(6) and (7)) compared to the benchmark/initial universe. The applicant fund must justify the choice of these indicators and explain why they are the most consistent with the fund's ESG objectives. Details of the information to be provided are given in Appendix 4. If the fund is able to justify the absence of sustainability indicators linked to its ESG objectives, it may select a performance indicator of its choice. The second performance indicator must be selected from the adverse sustainability indicators, as described in Appendix 4. The applicant fund mentions the selected performance indicators in its regulatory documentation.</p>	
--	--	--	--



## Pillar II - Issuer analysis and rating methodology used by the asset management company

2.1	<p>Criterion 2.1- The ESG assessment methodology is clearly described, and the fund management company demonstrates its ability to take these criteria into account in its investment policy.</p>	<p>a) The applicant fund’s management company:</p> <ol style="list-style-type: none"> <li>i. Provides documentation available to investors that describes: <ul style="list-style-type: none"> <li>- the ESG evaluation method,</li> <li>- how implementation of this method affects its investment policy,</li> <li>- how climate issues are taken into account by the ESG evaluation method. The applicant fund demonstrates that special attention is paid to the analysis of climate transition plans, in particular their consistency with the climate objectives set by the Paris Agreement. In this respect, issuers from “high impact climate sectors”, as described in the Delegated Regulation (EU) 2022/1288, are subject to increased vigilance. Details of the information to be provided are given in Appendix 5.</li> </ul> </li> <li>ii. Provides a presentation of the ESG analysis tools and methods (proprietary tool with internal rating scale, external rating grid, reference to external ratings, frequency of rating review, etc.),</li> <li>iii. Provides a presentation of the method used to design its initial investment universe and demonstrates that it prevents the appearance of biases that artificially lower the quantitative requirements of the label. If the fund compares itself to a benchmark index, it justifies its choice of index and also demonstrates the absence of any bias that artificially lowers the quantitative requirements of the label. Details of the information to be provided are given in Appendix 6.</li> <li>iv. Provides a presentation of its investment process, describing the ESG asset selection strategy and the method used to move from an ESG investment universe to an ESG portfolio (for example: type of exclusions practiced, ESG rating tools, controversy management, ESG commitment, etc.). In this respect, the management company demonstrates that all the Principal Adverse Impact(s)<sup>1</sup> are the subject of particular attention as part of the application of its investment process.</li> </ol> <p>b) The management company pays particular attention to identifying, analysing and monitoring controversies. To this end, the management company provides its policy for preventing and verifying controversies, and specifies all the following criteria:</p> <ol style="list-style-type: none"> <li>i. its process for identifying controversies (sources, monitoring process),</li> </ol>	<p>Check the completeness and quality of the documentation provided by the applicant in respect of the documentation required and the questions asked.</p> <p>The auditor checks that the ESG assessment method is available to investors.</p> <p>The auditor verifies that the ESG analysis methodology is reviewed at least every two years.</p> <p>The auditor checks that ratings are reviewed at least once a year.</p> <p>An applicant fund that declares an ESG assessment methodology which does not in actual fact result in the selection of ESG assets does not meet this criterion.</p>
-----	---	---	---

<sup>1</sup> as described in European Regulation (EU) 2019/2088 (in particular the technical standards referred to in Article 4(6) and (7)).

		<ul style="list-style-type: none"> <li>ii. its methodology for analysing identified controversies. The methodology must lead to a classification of controversies according to three dimensions (for example: serious, proven, repeated); and to the identification of controversies linked to the ESG objectives of the fund,</li> <li>iii. the escalation process (in particular: initiation of dialogue, reinforcement of dialogue, placing under surveillance, management action, etc.), the types of action and timeframe resulting from the analysis of the various levels of controversy identified, and the potential link with the ESG engagement policy,</li> <li>iv. the conditions for lifting measures taken in respect of controversial issuers,</li> <li>v. the committee procedures put in place and the tools used to monitor the decisions taken,</li> <li>vi. the fund provides formalised records of decisions relating to past controversies over the past year,</li> <li>vii. potential conflicts of interest identified between the management company and issuers that are the subject of identified controversies.</li> </ul>	<p>The auditor verifies that the process for identifying controversies is adapted to the characteristics of ESG assets.</p> <p>An applicant fund whose analysis of the proven dimension of a controversy is based solely on the existence of a court decision does not satisfy this criterion.</p>
2.2	<p>Criterion 2.2- The fund's management company puts in place reliable internal or external resources to conduct its analysis and demonstrates a real effort to analyse and understand the information it has at its disposal</p>	<ul style="list-style-type: none"> <li>a) The applicant fund's management company provides the following information: <ul style="list-style-type: none"> <li>i. List stating the external sources of information used in the ESG analysis (financial, extra-financial and ESG rating agencies, research from brokers, independent analysts, consultants, NGOs, database providers, etc.),</li> <li>ii. Active contracts signed with these third parties at the time of the application date,</li> <li>iii. methodology for using external data.</li> </ul> </li> <li>b) The applicant fund's management company provides available information on the human resources dedicated internally to the ESG analysis, in particular: <ul style="list-style-type: none"> <li>- Size and level of expertise of the ESG research and analysis teams (training, years of experience, etc.)</li> <li>- ESG analysis training initiatives, in particular training leading to certification (AMF Sustainable Finance, CESGA, CFA ESG, ESG Essentials, etc.) or recognised in-house and externally with market players, as well as total time spent by the management company on professional development.</li> <li>- internal communication (with fund managers, sales staff, etc.) regarding the sustainability analyses conducted.</li> </ul> </li> </ul>	<p>Check the completeness and quality of the information required.</p> <p>Examine the contracts provided, if applicable, using spot checks.</p> <p>An applicant fund that does not demonstrate a significant, measurable and aligned investment in accordance with the methodologies and investment strategy of the management company in the human and material resources of the ESG analysis does not meet this criterion.</p>

## Pillar III - Inclusion of ESG criteria in the portfolio's construction and operation

3.1	<p>Criterion 3.1- The ESG strategy is explicitly defined, and the results of implementing the strategy are measured.</p>	<p>a) The applicant fund provides a complete and up-to-date inventory covering all the asset categories in its portfolio, including cash, derivatives and sovereign debt (including the number of securities and the latest valuations used), specifying in particular, for each asset:</p> <ul style="list-style-type: none"> <li>- The ESG assessment given (rating, score, opinion, contribution to the SDGs, etc.),</li> <li>- the origin of this ESG assessment (internal or, if external, the name of the assessing body),</li> </ul> <p>The applicant fund shall specify the relative weighting in its rating model of each of the three pillars E, S and G. The applicant fund shall mention in its regulatory documentation<sup>2</sup> the weighting adopted for each area. In particular, the applicant fund shall justify any cases in which the weighting of one or more pillars is less than 20% and shall base this justification on the materiality analysis that led to this weighting.</p> <p>The percentages expressed below are calculated using a capitalisation-weighted method, based on the enterprise value where applicable.<sup>3</sup> Reliance on a calculation method based on the number of issuers must be justified (e.g. absence of known capitalisation or enterprise value for a very significant proportion of the investment universe). The calculation method used must be consistent between the fund and the benchmark index/initial universe.</p> <p>b) The applicant fund is not invested in any company, project or activity falling within an excluded sector as defined in Appendix 7.</p> <p>c) The proportion of ESG-analysed issuers in the fund's portfolio must remain above 90% at all times.</p> <p>d) The applicant fund demonstrates that the results of implementing its ESG strategy are measurable. The applicant fund may present either:</p> <ol style="list-style-type: none"> <li>i. a 30% reduction in its ESG investable universe compared to the fund's initial investment universe (i.e. elimination of the 30% worst stocks, based on the ESG rating and all the exclusions applied by the fund). The applicant fund</li> </ol>	<p>Check the completeness and quality of the information required.</p> <p>Check compliance with the quantitative standards stated in b) and c).</p> <p>To assess compliance with a quantitative standard, the certifier, or the auditor, examines compliance with that standard in respect of the fund's legal documentation (prospectus/regulations and/or, where applicable, KIID/KID).</p> <p>Quantified standards are calculated, where applicable, based solely on the eligible portion of the fund, with the exception of bonds and other debt securities issued by public issuers and cash held on an ancillary basis, and French social impact assets (i.e. "actifs solidaires") (which are then capped at 10% of the total assets under management at any time).</p>
-----	--	--	---

<sup>2</sup> In the pre-contractual information annexes defined in Annexes II and III of Delegated Regulation (EU) 2022/1288.

<sup>3</sup> "enterprise value including cash (EVIC): the sum, at year-end, of the market capitalisation of ordinary shares, the market capitalisation of preference shares and the book value of total debt and non-controlling interests, without deducting cash or cash equivalents.

		<p>mentions in its regulatory documentation<sup>4</sup> the level of reduction in the investable universe that it has chosen,</p> <p>ii. a <b>weighted</b> average ESG rating for the portfolio that is significantly higher (i.e. better) than the <b>weighted</b> average ESG rating of the <b>initial investment</b> universe. The weighted average ESG rating of the portfolio may under no circumstances be lower than the weighted average ESG rating of the fund's initial investment universe or of the benchmark or reference index after eliminating the <b>30%</b> worst values <b>based on ESG rating and any exclusions applied by the fund.</b></p> <p>The applicant fund mentions in its regulatory documentation the rate of elimination of the worst values that it has retained for comparison with the fund's initial investment universe or benchmark or reference index.</p> <p><b>Grandfathering clause:</b>  <b>In the case of follow-up and renewal audits, the selectivity rate (criterion 3.1.d.i) and the rate used to identify the worst values in the rating improvement approach (criterion 3.1.d.ii) will be increased gradually:</b></p> <ul style="list-style-type: none"> <li>- from 01/01/2025: 25% ,</li> <li>- from 01/01/2026: 30%.</li> </ul>	

<sup>4</sup> In the pre-contractual information annexes defined in Annexes II and III of Delegated Regulation (EU) 2022/1288.

<p>3.2</p>	<p>Criterion 3.2- The fund's management adopts a long- term perspective; the policy on the use of derivatives is compatible with the fund's objectives and is consistent with its adoption of a long-term perspective.</p>	<p>a) The use of derivative financial instruments must be limited to techniques that enable effective management of the portfolio of securities in which the applicant fund is invested.</p> <p>If the applicant fund uses derivatives, it must specify:</p> <ul style="list-style-type: none"> <li>i. their nature,</li> <li>ii. the objective(s) pursued and its/their compatibility with the long-term management objectives of the fund,</li> <li>iii. any limits in terms of exposure (by amount and duration),</li> <li>iv. where applicable, the monitoring of the fund's ESG performance.</li> </ul> <p>The use of derivatives must not alter the ESG selection policy significantly or over the long term.</p> <p>b) If the fund engages in securities lending/borrowing, it:</p> <ul style="list-style-type: none"> <li>i. retrieves the securities to exercise the voting rights, unless this is physically impossible,</li> <li>ii. states whether the counterparty selection rules integrate ESG criteria.</li> </ul> <p>c) The fund may not hold a short position in an asset selected as ESG according to its own method for selecting ESG assets.</p> <p>A short position is understood to be short selling, firm forward selling without holding the asset in cash, purchasing a put option or selling a call option without holding the assets in cash. A short position is also understood to be the acquisition of a financial instrument that produces the same effect.</p> <p>In accordance with the criteria defined above, the fund meets the requirements set out in Appendix 3.</p>	<p>Check compliance with the quantitative standards stated in b) and c).</p>
------------	--	---	--

		<p>d) The fund prepares a report enabling auditors and investors to assess the extent to which the fund deviates from or approaches its benchmark indicator over the long term (10 years or since creation of the fund, whichever is the shorter) detailing at least the following indicators:</p> <ul style="list-style-type: none"> <li>- comparative performance (through a chart and a table),</li> <li>- portfolio volatility versus index volatility, and</li> <li>- the annualised standard deviation of the fund’s relative performance compared to its benchmark index (or tracking error, which must correspond to that of a truly active fund),</li> <li>- any warning required (MiFID rules) if the financial objectives have not been achieved in a marked or sustainable manner,</li> <li>- the reasons for a prolonged inability to meet the stated financial objectives must be communicated to - and reviewed by - the assessor.</li> </ul>	<p>Quantified standards are calculated, where applicable, based solely on the eligible portion of the fund, with the exception of bonds and other debt securities issued by public issuers and cash held on an ancillary basis, and French social impact assets (i.e. “<i>actifs solidaires</i>”) (which are then capped at 10% of the total assets under management at any time).</p> <p>To assess “long-term” compliance with a quantitative standard, the certifier or auditor examines the presence of these quantified standards in the fund’s regulatory documentation. These standards must therefore be complied with at all times.</p> <p>If it is physically impossible to retrieve the securities, the cost of the transaction is assessed in relation to the weighting of the securities in the portfolio.</p>
--	--	--	--

## Pillar IV - The ESG engagement policy (dialogue and voting) with issuers

4.1	<p><b>Criterion 4.1-</b> The general voting policy and the resources in place are consistent with the fund's objectives.</p>	<p>a) The management company must have formalised its voting policy and published the latter on its website. <b>The management company furthermore describes its voting policy, particularly with regard to ESG aspects, specifying:</b></p> <ol style="list-style-type: none"> <li>i. the content of the formal ESG voting policy,</li> <li>ii. The human resources, or the external resources (consulting), dedicated to the ESG engagement and voting policy and their connection with those dedicated to ESG research,</li> <li>iii. how the voting policy is consistent with the fund's sustainability objectives.</li> </ol> <p>b) <b>The management company publishes the latest voting policy report on its website, if applicable on the page dedicated to the UCI, specifying:</b></p> <ol style="list-style-type: none"> <li>i. <b>voting on resolutions submitted to the general meetings of companies in whose portfolios it holds shares. The rate of exercise of voting rights is significant. To this end, the fund demonstrates that the proportion of general meetings at which voting rights are exercised represents:</b> <ul style="list-style-type: none"> <li>o <b>more than 90% of the general meetings of French companies in which the fund holds voting rights,</b></li> <li>o <b>More than 70% of general meetings of non-French companies in which the fund holds voting rights.</b></li> </ul> <p><b>The applicant fund must justify the cases in which voting rights were not exercised.</b></p> <p><b>The rate of exercise of voting rights will be introduced gradually as follows: greater than 70% for general meetings of French companies and over 50% for general meetings of non-French companies from 01/03/2024, then aligned with the above requirements from 01/01/2025.</b></p> </li> <li>ii. <b>If applicable, its participation in shareholder coalitions and any resolution filings made in this context, or the reason why it does not take part in collective actions.</b></li> </ol> <p>c) <b>The management company provides the latest internal control report produced by the Compliance and Internal Control Officer (RCCI) on the implementation of the voting policy.</b></p>	<p>Check the completeness and quality of the information required.</p> <p>An applicant fund that does not participate in the company life of its investments does not meet this criterion</p> <p><b>The certifier verifies that the general meetings of funds in the portfolio for which the applicant fund holds voting rights are included in the calculation of the exercise of voting rights.</b></p>
-----	--	---	---

<p>4.2</p>	<p>Criterion 4.2 - The ESG engagement policy and the means implemented are consistent with the fund's objectives.</p>	<p>a) The ESG engagement policy must have been formalised by the management company and published on its website. The management company shall specify:</p> <ul style="list-style-type: none"> <li>i. the content of the formalised ESG engagement policy (in particular: link with the controversy policy, commitment themes, etc.),</li> <li>ii. the human resources, or external resources (consultancy), dedicated to the ESG engagement policy and their relationship with ESG research resources,</li> <li>iii. its formalised escalation process, differentiating between actions constituting an enhanced dialogue, public actions and actions constituting an act of management. The escalation process provides for the sale of shares if there is no improvement after a given period,</li> <li>iv. how this ESG engagement policy is consistent with the fund's sustainability objectives.</li> </ul> <p>b) The applicant fund demonstrates that it has processes in place to ensure that each ESG engagement action is subject to:</p> <ul style="list-style-type: none"> <li>i. an explicit request to the issuer,</li> <li>ii. a clear objective, enabling the degree of success to be assessed,</li> <li>iii. a predefined timeframe, at the end of which a formal assessment is made,</li> <li>iv. where necessary, follow-up and escalation actions.</li> </ul> <p>c) The applicant fund publishes its latest ESG engagement report on its website, if applicable on the page dedicated to the fund, and specifies:</p> <ul style="list-style-type: none"> <li>i. the number of ESG engagement actions carried out over the past period, and the proportion of the fund concerned by at least one ESG engagement action,</li> <li>ii. the classification of ESG actions under the E, S and G pillars,</li> <li>iii. for collective ESG actions, the degree of involvement of the management company,</li> <li>iv. any other significant action taken in relation to the issuers in the portfolio.</li> </ul> <p>d) The absence of an ESG commitment document in the following cases will be the subject of a precise and convincing justification:</p> <ul style="list-style-type: none"> <li>i. Issuers in the portfolio that do not publish one or more performance indicators selected under criterion 1.c of this reference framework, and for which the applicant fund considers that the indicator(s) is/are material in view of the ESG issues identified,</li> </ul>	<p>Check the completeness and quality of the information required.</p> <p>A fund that does not effectively use its escalation process does not meet this criterion.</p> <p>The certifier will pay particular attention to any fund that chooses not to issue a commitment document in the cases listed in point d).</p>
------------	---	--	---



		<p>ii. Portfolio issuers with a transition strategy in line with the Paris Agreement, as defined in appendix 5 of this reference framework, and whose observed results are not in line with the defined objectives,</p> <p>iii. In the case of the rating improvement approach, issuers in the portfolio that are among the worst 30% of the initial investment universe on the basis of ESG rating (taking into account the grandfathering clause defined by criterion 3.1.c.ii of these guidelines). These issuers are systematically subject to an ESG commitment, the maximum duration of which may not exceed 3 years (including potential escalations). The issuer may not be retained in the portfolio if no improvement is observed at the end of this period.</p> <p>e) The applicant fund provides the most recent internal control report produced by the RCCI on the implementation of the ESG engagement policy.</p>	
--	--	---	--

## Pillar V- Enhanced transparency

5.1	<p>Criterion 5.1- Formal communication with distributors and investors is in place, ensuring that they have a clear understanding of the fund's strategy and objectives.</p>	<p>a) The fund provides the latest financial and ESG reports communicated to investors and distributors, indicating their frequency and targets. The frequency of communication must be at least annual.</p> <p>b) The fund provides information on its communication policy vis-à-vis investors and distributors, including:</p> <ol style="list-style-type: none"> <li>i. All means of communication with investors and distributors.</li> <li>ii. Procedures for handling investors' questions or complaints.</li> <li>iii. The fund's ability to modify its ESG investment strategy or management practices following questions or complaints from investors and distributors,</li> </ol> <p>c) For greater transparency, the fund publishes the complete inventory of the portfolio, in a manner legible by and accessible to retail investors, at least annually, with a maximum delay of 6 months, and makes this inventory available on its website on the fund in question's dedicated page. For each line in the portfolio, the inventory shall specify the name of the issuer, the identifier (ISIN) and its weight in the portfolio. This provision does not apply to professional funds and funds with a maximum of 20 unitholders as specified in article L. 214-26-1.</p>	<p>Check the completeness, suitability and quality of the required information.</p>
5.2	<p>Criterion 5.2- Compliance with SRI portfolio management rules is internally controlled and such rules are clearly described to investors.</p>	<p>a) The management company provides evidence that the head of risk management and the head of compliance and internal control (RCCI) are aware of the specific issues associated with ESG portfolio management. Relatedly, the proper application of the ESG strategy and all requirements contained in these guidelines must be subject to internal controls.</p> <p>The fund has an internal control and periodic control structure that enables it to integrate, internally or via service providers, the correct application of the ESG strategy and all requirements presented in these guidelines. The fund regularly submits an updated ESG strategy compliance report drawn up for this purpose.</p> <p>b) The management company demonstrates existence of procedures aimed at:</p> <ol style="list-style-type: none"> <li>i. identifying potentially significant changes to the fund's ESG strategy,</li> <li>ii. notifying the certification body of any such significant changes to the ESG strategy.</li> </ol>	<p>Check the completeness, suitability and quality of the required information.</p>

## Pillar VI- Demonstration of ESG performance monitoring of the fund's portfolio

6	<p>Criterion 6- Progress in ESG performance monitoring</p> <p>The ESG performance of selected issuers is monitored.</p>	<p>The fund provides information on how it monitors the ESG performance of each issuer in relation to the ESG characteristics used in the management of the fund.</p> <p>The fund details and makes public:</p> <ul style="list-style-type: none"> <li>- its latest reporting of Principal Adverse Impact Indicators,<sup>5</sup> presenting data on the fund's scope,</li> <li>- the resources, particularly human resources, deployed,</li> <li>- the method used to assess performance and trends in ESG quality, and in particular the monitoring indicators used,</li> <li>- the results obtained, differentiating between (i) environmental performance, (ii) social performance and (iii) performance in terms of governance,</li> <li>- the engagement actions implemented in relation to each of the indicators,</li> <li>- a comparative study of the portfolio's performance based on indicators used on a long-term basis, in order to study the progress made by issuers.</li> </ul> <p>For new funds, the fund indicates the ESG performance indicators it intends to implement and monitor.</p> <p>Details of the information to be provided are given in Appendix 8.</p>	<p>Check the completeness, suitability and quality of the required information.</p>
---	---	--	---

<sup>5</sup> Statement on the principal adverse impacts of investment decisions on sustainability factors, as described by the technical standards referred to in Article 4(6) and (7) of European Regulation (EU) 2019/2088.

**B) Real estate asset management funds**

Criterion N°	Criteria	Information required, standards to be met	Inspection points, inspection method, procedure for concluding whether a requirement or criterion has been met
<b>Pillar I - The objectives targeted by the fund by taking ESG criteria into account for real estate assets</b>			
1	<p>Criterion 1- The general, financial and specific ESG objectives targeted by taking ESG criteria into account in the investment policy are clearly described in the regulatory and commercial documents intended for investors.</p>	<p>The applicant provides the following information or answers the following questions:</p> <ul style="list-style-type: none"> <li>i. What are the general objectives targeted by taking ESG criteria into account in the investment policy, including, where applicable, the monitoring of issuers' ESG performance (see Pillar VI)? How are they defined and described to investors?</li> <li>ii. Do you have objectives of a financial nature (medium-term outperformance, risk reduction or profitability/risk trade-off, etc.) or other objectives (ethical, etc.) linked to taking ESG criteria into account? If so, what are they and how are they defined and described to investors?</li> <li>iii. What are the...: <ul style="list-style-type: none"> <li>- environmental</li> <li>- social (human resources and human rights)</li> <li>- corporate governance</li> </ul> ...objectives targeted by taking ESG criteria into account in the investment policy? <p>How are these objectives defined and described to investors?</p> </li> </ul>	<p>Check the completeness and quality of information provided by the applicant fund in respect of the documentation required and the questions asked.</p> <p>The auditor checks that the documentation addresses points (i) to (iii).</p> <p>An applicant fund that does not declare specific objectives for each of the three environmental, social and governance pillars (e.g. within those referred to in pillar VI) does not meet this criterion.</p>

**Pillar II – Issuers analysis and rating methodology used by the portfolio management company**

2.1	<p>Criterion 2.1- The ESG assessment methodology is clearly described, and the fund management company demonstrates its ability to take these criteria into account in its investment policy.</p>	<p>The applicant fund’s management company provides:</p> <ul style="list-style-type: none"> <li>i. Documentation available to investors that describes the ESG evaluation method and how the implementation of this method affects its investment and asset management policy,</li> <li>ii. A presentation of the ESG analysis tools and methods (proprietary tool with internal rating scale, external rating grid, reference to external ratings, frequency of rating review, etc.),</li> <li>iii. A presentation of the asset selection and management strategy that takes ESG criteria into account (quantitative tools, fundamental or technical analysis, consideration of rating trends, type of exclusions used, management of controversies, etc.).</li> </ul> <p>For new funds, the management company describes the ESG asset evaluation methodology it intends to use for the applicant fund.</p>	<p>The auditor:</p> <p>checks the completeness and quality of the documentation provided by the applicant in respect of the documentation required and the questions asked.</p> <p>checks that the ESG assessment method is available to and understandable by investors.</p> <p>Verifies that the ESG analysis methodology is reviewed at least once a year.</p> <p>An applicant fund that declares an ESG methodology which does not in actual fact result in the selection of ESG assets or demonstrate the maintenance or improvement of the ESG rating of assets over the holding period does not meet this criterion.</p> <p>For new funds, checks that the applicant fund’s contractual and regulatory documentation complies with the requirements.</p>
-----	---	---	---

2.2	<p>Criterion 2.2- The fund management company puts in place reliable internal or external resources to carry out its analysis and demonstrates a genuine effort to analyse and understand the information it has at its disposal.</p>	<p>a) The applicant fund’s management company provides the following information:</p> <ol style="list-style-type: none"> <li>i. List stating the external sources of information used in the ESG analysis (financial, non-financial and ESG rating agencies, research from brokers, independent analysts, consultants, NGOs, database providers, etc.),</li> <li>ii. Contracts signed with these third parties during the 12 months preceding the application date,</li> <li>iii. Methodology for using external data.</li> </ol> <p>b) The applicant fund’s management company or the applicant mandate manager provides available information on the human resources dedicated internally to the ESG analysis, in particular:</p> <ul style="list-style-type: none"> <li>- Size and level of expertise of the ESG research teams (training, years of experience, etc.),</li> <li>- ESG analysis training initiatives and time spent on training by the management company during the 12 months preceding the application date,</li> <li>- Internal communication (managers, sales staff, etc.) of the non-financial analyses conducted.</li> </ul> <p>At the very least, responsibility for ESG analysis must be assigned to a clearly identified person who reports to a member of the Executive Committee of the management company or Group to which it belongs.</p>	<p>Check the completeness and quality of the information required.</p> <p>Examine the contracts provided, if applicable, using spot checks.</p> <p>Check that responsibility for ESG analysis is clearly assigned internally and that the person concerned reports directly to a member of the Executive Committee.</p> <p>An applicant fund or manager that does not demonstrate significant investment in the human and material resources for ESG analysis does not meet this criterion.</p>
-----	---	---	---

## Pillar III - Inclusion of ESG criteria in the portfolio's construction and operation

3.1	<p>Criterion 3.1- The ESG strategy is explicitly defined, and the results of implementing this strategy are measured.</p>	<p>a) Each year, the applicant fund provides a complete and up-to-date inventory of its portfolio (including the latest valuations used), specifying for each asset:</p> <ol style="list-style-type: none"> <li>i. The ESG rating (score, opinion, etc.) assigned to each asset assessed,</li> <li>ii. The origin of this ESG assessment (internal or, if external, the name of the assessing body),</li> <li>iii. The minimum ESG rating required for inclusion in the portfolio,</li> <li>iv. For assets whose ESG assessment is below the minimum ESG assessment, the initial ESG assessment, the existence or otherwise of a formal improvement plan in the asset's business plan, its duration and the target ESG assessment.</li> </ol> <p>It also provides:</p> <ol style="list-style-type: none"> <li>v. Explanations on how the choice of the minimum ESG assessment is in accordance with the fund's strategy and objectives, regulatory texts (the minimum ESG rating must reflect a performance that exceeds legal requirements) and based on tangible information (sector standard, market study, internal benchmark, etc.),</li> <li>vi. Explanations of the weightings assigned to the three E, S and G areas, in addition to the various criteria taken into account for the ESG assessment.</li> </ol> <p>Applicant funds in which more than 80% of the assets (by value) have an ESG rating above the minimum ESG rating demonstrate that the ESG rating methodology used is based on the use of quantitative indicators from the acquisition phase, at least for the 4 mandatory reporting indicators (energy, GHG emissions, mobility or health/comfort of occupants, supply chain management), and justify the choice of the minimum ESG assessment chosen for each indicator based on tangible information (sector standard, market study, internal benchmark, etc.). For each asset with an ESG assessment higher than the minimum ESG assessment, the applicant fund demonstrates that the value of the energy and GHG emissions indicators is lower than the average value of a recent reference market benchmark (e.g. the Green Building Observatory's (Observatoire de l'Immobilier Durable - OID) barometer of the environmental and energy performance of tertiary buildings or equivalent) for the asset class and market concerned. In the absence of data available in the OID's database or equivalent, the applicant fund may proceed by country or asset typology analogy or propose other justified systems.</p> <p>Applicant funds whose ESG selection and management model involves the use of weightings must also state the ESG weighting chosen for each asset or type of asset in the portfolio.</p>	<p>Check the accuracy, completeness, suitability and quality of the information provided by the applicant in respect of the required information.</p> <p>Examine, using a spot check, whether the ESG assessments of the assets and the average assessment of each portion of the fund are correctly established.</p> <p>Check compliance with the quantitative standards set out in b) and c).</p> <p>When compliance with a quantitative standard is required and the applicant fund has not been operating long enough to demonstrate compliance with the standard, the criterion is deemed to have been met if the applicant fund undertakes, as part of the internal control procedures put in place by the management company, to ensure the funds' compliance with the SRI guidelines, to comply with the standard and provides the auditor with evidence of compliance with these standards no later than 12 months after the label has been awarded and after its annual monitoring audit.</p> <p>Quantified standards are calculated, where applicable, based solely on the eligible portion of the fund.</p> <p>To assess "long-term" compliance with a quantitative standard, the certifier or auditor examines the presence of these quantified standards in the fund's regulatory documentation. These standards must therefore be complied with at all times.</p>
-----	---	---	--

		<p>b) The proportion of ESG-analysed assets in the fund’s portfolio must remain above 90% in value (this 10% tolerance is intended to take into account the case of recently acquired assets that have not yet been subject to an ESG assessment at the time of the labelling audit, or assets that have not been subject to an ESG assessment because they are intended to be disposed of).</p> <p>c) The applicant fund demonstrates that the result of implementing its ESG strategy is measurable. The applicant fund shows:</p> <ol style="list-style-type: none"> <li>i. Maintenance, at least, of the average ESG assessment of the portion of assets with an initial ESG assessment higher than the minimum ESG assessment,</li> <li>ii. A significant improvement in the medium term (3 years) of the average ESG assessment of the portion of assets with an initial ESG assessment below the minimum ESG assessment. To be considered significant, this improvement must be greater than 20 points on a scale of 1 to 100 (or equivalent) or enable the fund to achieve its minimum ESG rating. In particular, the fund must: <ul style="list-style-type: none"> <li>- formalise an improvement plan and define target ESG assessments for each asset in the relevant portion,</li> <li>- set a target of significantly improving the average ESG assessment of this portion within 3 years, in line with the target ESG assessments of the assets in it,</li> <li>- Demonstrate proper implementation of the formalised improvement plans at the asset level and validate the achievement of the set improvement objective,</li> <li>- maintain the ESG assessment of the asset once the target ESG assessment has been achieved. The management company must be able to justify the target ESG assessment of the assets included in the fund with an initial ESG assessment below the minimum ESG assessment based on tangible information (sector standard, market study, internal benchmark, etc.).</li> </ul> </li> </ol> <p>The average ESG rating of the fund may be calculated on a current or constant-scope basis.</p> <p>For funds being created, the management company describes the investment and management policy that it intends to implement for the applicant fund.</p>	<p>An applicant fund that is unable to justify the choice of the minimum ESG assessment chosen does not meet this criterion.</p> <p>An applicant fund with more than 80% of its assets (by value) having an ESG assessment above the minimum ESG assessment and which is unable to demonstrate that its ESG assessment methodology takes into account the 4 mandatory reporting indicators (energy, GHG emissions, mobility or health/comfort of occupants, supply chain management) on the one hand, or to demonstrate that the value of the energy and GHG emissions indicators is below the average value of a recent reference market benchmark for each asset with an ESG assessment above the minimum ESG rating on the other hand, does not meet this criterion.</p> <p>An applicant fund whose ESG assessment methodology does not comply with the requirements described in Appendix 3, relating to the weightings assigned to the 3 E, S and G areas and to the various ESG criteria taken into account, does not meet this criterion.</p> <p>An applicant fund that is unable to demonstrate the existence of a formalised improvement plan and that is unable to justify the associated target ESG rating for assets whose initial ESG rating is below the minimum ESG rating does not meet this criterion.</p> <p>An applicant fund that has not set a target of significantly improving, within 3 years, the average ESG performance of the portion of assets, with an initial ESG assessment below the minimum ESG assessment, does not meet this criterion.</p>
--	--	--	---



			<p>An applicant fund that is unable to demonstrate proper implementation of the defined improvement plans or to demonstrate the achievement, within 3 years of the objective of improving the average ESG performance of the portion of assets, with an initial ESG assessment below the minimum ESG rating, does not meet this criterion.</p> <p>For funds being created, check that the applicant fund's contractual and regulatory documentation complies with the requirements.</p>
--	--	--	---

## Pillar IV- The ESG engagement policy with key stakeholders

4.1	<p>Criterion 4- The engagement policy with key stakeholders and the resources put in place are consistent with the fund's objectives.</p>	<p>a) The management company must have formalised its engagement policy with its key stakeholders (tenants and users, service providers including contractors) and published the latter on its website in accordance with the regulatory constraints of the funds concerned (via free access for funds open to retail investors and via secure access for funds open only to professional investors). To this end, the fund provides the SRI policy that describes the fund's ESG engagement policy and a report showing the results of the implementation of this policy.</p> <p>b) The fund furthermore describes its ESG engagement policy, particularly with regard to ESG aspects, specifying:</p> <ul style="list-style-type: none"> <li>i. The content of the formal ESG engagement policy (in particular: user guide, environmental appendix, green lease, trading platform, etc.),</li> <li>ii. The human resources or the external resources (consultancy) dedicated to the ESG engagement policy,</li> <li>iii. The number of stakeholders with whom the fund has established a relationship, the number of approaches made to stakeholders, and examples, where applicable, of successes and failures. This number shall be related to the number of stakeholders in the invested portfolio. In particular, the fund must be able to demonstrate a 1-3 year engagement formalised with 100% of the property and/or facility managers involved in the management of the assets that make up the fund (or integrated property management) and with 100% of the main service providers (developers, project management, delegated project contracting only) who are involved in the fund's assets and who have a direct contractual relationship with the AMC and/or the fund concerned,</li> <li>iv. How this engagement policy is consistent with the fund's pursuit of ESG performance.</li> </ul> <p>c) The fund describes any other action undertaken regarding the portfolio's key stakeholders.</p>	<p>Check the accuracy, completeness, suitability and quality of the documentation provided by the applicant in respect of the required documentation.</p> <p>Examine, using a spot check, whether the indicators relating to the number of stakeholders with whom the fund has established a relationship are correctly established.</p> <p>An applicant fund that has not engaged in an ESG engagement process with its key stakeholders (tenants and users, service providers, including contractors) does not meet this criterion.</p> <p>An applicant fund that does not have an engagement formalised with 100% of the property and/or facility managers involved in the management of the assets that make up the fund or with 100% of the main contractors (developers, project management, delegated project contracting) who are involved in the fund's assets and who have a direct contractual relationship with the AMC and/or the fund concerned does not meet this criterion.</p>
-----	---	---	---

## Pillar V- Enhanced transparency

5.1	<p>Criterion 5.1- Formal communication with distributors and investors is put in place, ensuring their proper understanding of the fund's strategy and objectives.</p>	<p>a) The fund provides the latest management reports sent to investors, stating their frequency and the targets (investors and distributors or distributors only).</p> <p>b) An ESG management report must be sent to investors at least annually.</p> <p>In this report, the applicant fund communicates at the very least and in a contextualised manner, the ESG assessment of the 5 best-performing assets, the 5 worst-performing assets and the 5 most important assets (by value), stating any improvement plans implemented.</p> <p>c) The fund provides information on its communication policy with investors and distributors, in particular:</p> <ul style="list-style-type: none"> <li>i. All means of communication with investors and distributors,</li> <li>ii. The policy on handling investor questions or complaints,</li> <li>iii. The manner in which the ESG investment strategy or management rules are adapted to take into account requests or complaints from investors or distributors,</li> <li>iv. Where applicable, surveys of investors' expectations regarding ESG management and their satisfaction with the results obtained.</li> </ul> <p>d) For greater transparency, the fund publishes the complete inventory of the portfolio, in a manner legible by and accessible to retail investors, at least annually, with a maximum delay of 6 months in accordance with applicable regulatory constraints (available to the general public for funds open to retail investors and via secure access for funds open only to professional investors).</p>	<p>Check the accuracy, completeness, suitability and quality of the information provided by the applicant with respect to the information required.</p> <p>An applicant fund that does not provide investors, on at least an annual basis, with an ESG management report including a contextualised ESG report for the 5 best-performing assets, the 5 worst-performing assets and the 5 most important assets (by value) does not meet this criterion.</p>
5.2	<p>Criterion 5.2- Compliance with SRI management rules is internally inspected, and these rules are clearly described to investors.</p>	<p>a) The management company describes its policy on managing ESG risks and communication with investors (internal procedure on SRI management of the fund, etc.).</p> <p>b) The management company provides evidence that the head of risk control and the head of compliance and internal control (RCCI) are aware of the specific issues associated with ESG management, and that they actually verify the correct application of the ESG strategy.</p> <p>The fund has an internal control and periodic control structure that enables it to integrate, internally or via service providers, an update on the ESG strategy's compliance into a compliance report.</p> <p>The fund provides the latest report written on the subject.</p>	<p>Check the completeness, suitability and quality of required information.</p>

## Pillar VI- Demonstration of ESG performance monitoring of the fund's portfolio

6	<p>Criterion 6- ESG performance of portfolio assets is monitored.</p>	<p>The fund provides information on how it monitors the ESG performance.</p> <p>The fund details and makes public, in accordance with the regulatory constraints of the funds concerned (via public access for funds open to retail investors and via secure access for funds open only to professional investors):</p> <ul style="list-style-type: none"> <li>- The resources, particularly human resources deployed,</li> <li>- The method used to assess performance,</li> <li>- The results obtained, differentiating between (i) environmental performance, (ii) social performance, (iii) performance in terms of governance,</li> <li>- The engagement actions implemented in relation to each of the indicators,</li> <li>- A comparative study of the performance indicators in relation to the initial universe (sector standard, market study, internal benchmark, etc.): the portfolio must have performed better on at least two indicators compared to the reference index/initial universe.</li> </ul> <p>In order to take into account the necessary progress in the availability of non-financial data from issuers, the management company shall implement these indicators gradually: a first indicator shall be implemented before the end of 2020 with a coverage rate of at least 90% and a second before the end of 2021 with a coverage rate of at least 70%. For funds being created, the fund indicates the ESG performance indicators that it intends to implement and monitor.</p> <p>Details of the information to be provided are given in Appendix 9.</p>	<p>Check the completeness, suitability and quality of the required information.</p> <p>Check that the method for developing indicators is transparent, clear and sufficiently documented to be auditable (existence of evidence and audit trails).</p> <p>For funds being created, check that the applicant fund's contractual and regulatory documentation complies with the requirements.</p>
---	---	--	---

### C) Portfolio management mandates

Criterion N°	Criteria	Information required, standard to meet	Inspection points, inspection method, procedure for concluding whether a requirement or criterion has been met
<b>Pillar I - The objectives targeted by the mandate by taking ESG criteria into account for issuers</b>			
1	<p>Criterion 1- The general, financial and specific ESG objectives targeted by taking ESG criteria into account in the investment policy are clearly described in the commercial documents intended for investors.</p>	<p>a) The applicant provides the following information or answers the following questions:</p> <ul style="list-style-type: none"> <li>i. what are the general objectives targeted by taking ESG criteria into account in the investment policy, including, where applicable, the monitoring of issuers' ESG performance (see Pillar VI)? How are they defined and described to investors?</li> <li>ii. do you have objectives of a financial nature (medium-term outperformance, risk reduction, or profitability/risk trade-off, etc.) or other objectives (ethical, etc.) linked to taking ESG criteria into account? If so, what are they and how are they defined and described to investors?</li> <li>iii. What are the... <ul style="list-style-type: none"> <li>- environmental,</li> <li>- social (human resources and human rights),</li> <li>- corporate governance</li> </ul> </li> </ul> <p>...objectives targeted by taking ESG criteria into account in the investment policy? How are these objectives defined and described to investors?</p> <p>b) The ESG objectives of the applicant mandate are consistent with the concept of double materiality. To this end, the candidate mandate provides the information needed to demonstrate that:</p> <ul style="list-style-type: none"> <li>i. That it takes into account the environmental, social and governance risks that may have a negative impact on the financial value of its investments. As such, it provides the elements presenting how sustainability risks are integrated into its investment decisions, within the meaning of Article 3(1) of European Regulation (EU) 2019/2088,</li> <li>ii. it takes into account the effect of its investments on E, S and G criteria. As such, it shall demonstrate the taking into account of the principal adverse</li> </ul>	<p>Check the completeness and quality of information provided by the applicant with respect to the documentation required and the questions asked.</p> <p>The auditor checks that the documentation addresses points (i) to (iii).</p> <p>An applicant that does not declare specific objectives for each of the three pillars (environmental, social and governance) does not meet this criterion.</p>

		<p>impacts on sustainability, as defined in Article 7(1)(a) of European Regulation (EU) 2019/2088. In this context, where the information referred to in Article 11(2) of the same Regulation includes a quantification of the principal adverse impacts on sustainability factors, this information shall be based on the provisions of the regulatory technical standards adopted under Articles 4(6) and (7).</p> <p>c) The portfolio must have achieved a better result on two principal adverse impact sustainability indicators (as described by European Regulation (EU) 2019/2088 and defined by the technical standards referred to in Article 4(6) and (7)) compared to the benchmark/initial universe. The applicant fund must justify the choice of these indicators and explain why they are the most consistent with the fund's ESG objectives. Details of the information to be provided are given in Appendix 4. If the applicant is able to justify the absence of sustainability indicators linked to its ESG objectives, it may select a performance indicator of its choice. The second performance indicator must be selected from the adverse sustainability indicators, as described in Appendix 4. The candidate mandate mentions the selected performance indicators in its regulatory documentation.</p>	
--	--	--	--

## Pillar II - Issuer analysis and rating methodology used by the asset management company

2.1	<p>Criterion 2.1- The ESG assessment methodology is clearly described, and the mandate manager demonstrates its ability to take these criteria into account in its investment objectives.</p>	<p>a) The applicant mandate manager:</p> <ul style="list-style-type: none"> <li>i. Provides documentation available to investors that describes: <ul style="list-style-type: none"> <li>- the ESG evaluation method,</li> <li>- how implementation of this method affects its investment policy,</li> <li>- how climate issues are taken into account by the ESG evaluation method. The applicant fund demonstrates that special attention is paid to the analysis of climate transition plans, in particular their consistency with the climate objectives set by the Paris Agreement. In this respect, issuers from “high impact climate sectors”, as described in the Delegated Regulation (EU) 2022/1288, are subject to increased vigilance. Details of the information to be provided are given in Appendix 5.</li> </ul> </li> <li>ii. Provides a presentation of the ESG analysis tools and methods (proprietary tool with internal rating scale, external rating grid, reference to external ratings, frequency of rating review, etc.),</li> <li>iii. Provides a presentation of the method used to design its initial investment universe and demonstrates that it prevents the appearance of biases that artificially lower the quantitative requirements of the label. If the fund compares itself to a benchmark index, it justifies its choice of index and also demonstrates the absence of any bias that artificially lowers the quantitative requirements of the label. Details of the information to be provided are given in Appendix 6.</li> <li>iv. Provides a presentation of its investment process, describing the ESG asset selection strategy and the method used to move from an ESG investment universe to an ESG portfolio (for example: type of exclusions practiced, ESG rating tools, controversy management, ESG commitment, etc.). In this respect, the management company demonstrates that all the Principal Adverse Impact(s)<sup>6</sup> are the subject of particular attention as part of the application of its investment process.</li> </ul> <p>b) the mandate manager pays particular attention to identifying, analysing and monitoring controversies. To this end, the mandate manager provides its policy for preventing and verifying controversies, and specifies all the following criteria:</p> <ul style="list-style-type: none"> <li>i. its process for identifying controversies (sources, monitoring process),</li> </ul>	<p>Check the completeness and quality of the documentation provided by the applicant in respect of the documentation required and the questions asked.</p> <p>The auditor checks that the ESG assessment method is available to and understandable by investors.</p> <p>The auditor checks that the ESG analysis methodology is reviewed at least every two years.</p> <p>The auditor checks that the methodology is reviewed at least annually.</p> <p>An applicant fund that declares an ESG assessment methodology that does not in actual result in the selection of ESG assets does not meet this criterion.</p>
-----	---	---	---

<sup>6</sup> as described in European Regulation (EU) 2019/2088 (in particular the technical standards referred to in Article 4(6) and (7)).

		<ul style="list-style-type: none"> <li>ii. its methodology for analysing identified controversies. The methodology must lead to a classification of controversies according to three dimensions (for example: serious, proven, repeated), and to the identification of controversies linked to the mandate’s ESG objectives,</li> <li>iii. the escalation process (in particular: initiation of dialogue, reinforcement of dialogue, placing under surveillance, management action, etc.), the types of action and timeframe resulting from the analysis of the various levels of controversy identified, and the potential link with the ESG engagement policy,</li> <li>iv. the conditions for lifting measures taken in respect of controversial issuers;</li> <li>v. the committee procedures put in place and the tools used to monitor decisions taken,</li> <li>vi. The mandate provides formalised records of decisions relating to past controversies over the past year,</li> <li>vii. Potential conflicts of interest identified between the mandate manager and issuers that are the subject of identified controversies.</li> </ul>	
2.2	<p>Criterion 2.2- The mandate manager puts in place reliable internal or external resources to conduct its analysis and demonstrates a real effort to analyse and understand the information it has at its disposal.</p>	<ul style="list-style-type: none"> <li>a) The applicant mandate manager provides the following information: <ul style="list-style-type: none"> <li>i. List stating the external sources of information used in the ESG analysis (financial, extra-financial and ESG rating agencies, research from brokers, independent analysts, consultants, NGOs, database providers, etc.),</li> <li>ii. Active contracts signed with these third parties during the 12 months preceding the application date,</li> <li>iii. Methodology for using external data.</li> </ul> </li> <li>b) The applicant mandate manager provides available information on the human resources dedicated internally to the ESG analysis, in particular: <ul style="list-style-type: none"> <li>- Size and level of expertise of ESG research teams (training, years of experience, etc.),</li> <li>- ESG analysis training, in particular training leading to certification (AMF Sustainable Finance, CESGA, CFA ESG, ESG Essentials, etc.) or recognised training, and time spent by the management company on training during the 12 months preceding the application date,</li> <li>- Internal communication (fund managers, sales staff etc.) of the sustainability analyses conducted.</li> </ul> </li> </ul>	<p>Check the completeness and quality of the required information.</p> <p>Examine the contracts provided, if applicable, using spot checks.</p> <p>An applicant manager that does not demonstrate a significant investment in accordance with the methodologies and investment strategy of the management company in the human and material resources of the ESG analysis does not meet this criterion.</p>
<p><b>Pillar III - Inclusion of ESG criteria in the portfolio’s construction and operation</b></p>			



<p>3.1</p>	<p>Criterion 3.1- The ESG strategy is explicitly defined, and the result of the implementation of this strategy is measured.</p>	<p>a) The applicant mandate manager provides a complete and up-to-date inventory of its portfolio (including the number of securities and the latest valuations chosen), stating in particular, for each asset:</p> <ul style="list-style-type: none"> <li>- The ESG assessment given (rating, score, opinion, etc.),</li> <li>- The origin of this ESG assessment (internal or, if external, the name of the assessing body),</li> </ul> <p>The applicant fund shall specify the relative weighting in its rating model of each of the three pillars E, S and G. The applicant fund shall mention in its regulatory documentation<sup>7</sup> the weighting adopted for each area. In particular, the applicant fund shall justify any cases in which the weighting of one or more pillars is less than 20% and shall base this justification on the materiality analysis that led to this weighting.</p> <p>The percentages expressed below are calculated using a capitalisation-weighted method, or, where applicable, the enterprise value-weighted method. Reliance on a calculation method based on the number of issuers must be justified (e.g. absence of known capitalisation or enterprise value for a very significant proportion of the investment universe). The calculation method used must be consistent between the fund and the benchmark index/initial universe.</p> <p>b) The candidate mandate is not invested in any company, project or activity falling within the excluded sectors as defined in Appendix 7.</p> <p>c) The proportion of ESG-analysed issuers in the portfolio must remain above 90% at all times.</p> <p>d) The applicant mandate demonstrates that the results of implementing its ESG strategy are measurable. The candidate mandate <u>may</u> present either:</p> <ul style="list-style-type: none"> <li>i. a 30% reduction in its ESG investment universe compared to the mandate’s initial investment universe (i.e. elimination of the 30% worst stocks, based on the ESG rating and all the exclusions applied by the fund),</li> <li>ii. a weighted average ESG rating of the portfolio that is significantly higher (i.e. better) than the weighted average ESG rating of the initial investment universe. The weighted average ESG rating of the portfolio may under no circumstances be lower than the weighted average ESG rating of the initial investment universe of the benchmark or reference index after eliminating the</li> </ul>	<p>Check the completeness and quality of the information required.</p> <p>Check compliance with the quantitative standards stated in b) and c).</p> <p>When compliance with a quantitative standard is required and the applicant mandate does not comply with it, or the applicant mandate has not been operating long enough to demonstrate compliance with the standard, the criterion is deemed to have been met if the applicant mandate undertakes to comply with the standard no later than 12 months after the label has been awarded.</p> <p>Quantified standards are calculated, where applicable, based solely on the eligible portion of the mandate, with the exception of bonds and other debt securities issued by public or quasi-public issuers and cash held on an ancillary basis, and French social impact assets (i.e. “<i>actifs solidaires</i>”) (which are then capped at 10% of the total assets under management at any time).</p> <p>To assess “long- term” compliance with a quantitative standard, the certifier or auditor examines the average of this standard over the portfolio’s history during the 12 months preceding the application to award the label.</p>
------------	--	--	--

<sup>7</sup> In the pre-contractual information annexes defined in Annexes II and III of Delegated Regulation (EU) 2022/1288.

		<p>30% worst values based on ESG rating and any exclusions applied by the fund.</p> <p>The candidate mandate mentions in its regulatory documentation<sup>8</sup> the rate of elimination of the worst values that it has retained for comparison with the mandate's initial investment universe or benchmark or reference index.</p> <p><b>Grandfathering clause:</b>  In the case of follow-up and renewal audits, the selectivity rate (criterion 3.1.d.i) and the rate used to identify the worst values in the rating improvement approach (criterion 3.1.d.ii) will be increased gradually:</p> <ul style="list-style-type: none"> <li>- from 01/01/2025: 25%,</li> <li>- from 01/01/2026: 30%.</li> </ul>	
--	--	--	--

<sup>8</sup> In the pre-contractual information annexes defined in Annex II of Delegated Regulation (EU) 2022/1288.

3.2	<p>Criterion 3.2- The mandate’s management adopts a long- term perspective, the policy on the use of derivatives is compatible with the mandate’s objectives and is consistent with its adoption of a long-term perspective.</p>	<p>a) The use of derivative financial instruments must be limited to techniques that enable effective management of the portfolio of securities in which the applicant mandate is invested. If the candidate mandate uses derivatives, it must state:</p> <ul style="list-style-type: none"> <li>i. their nature,</li> <li>ii. the objective(s) pursued and their compatibility with the long-term management objectives of the fund,</li> <li>iii. any limits in terms of exposure (by amount and duration),</li> <li>iv. where applicable, the monitoring of the fund’s ESG performance.</li> </ul> <p>The use of derivatives must not alter the ESG selection policy significantly or over the long term.</p> <p>b) A short position is understood to be short selling, firm forward selling without holding the asset in cash, purchasing a put option or selling a call option without holding the assets in cash. A short position is also understood to be the acquisition of a financial instrument that produces the same effect.</p> <p>In accordance with the criteria defined, the fund meets the requirements set out in <a href="#">Appendix 3</a>.</p>	<p>Check the completeness and quality of the required information.</p> <p>When compliance with a quantitative standard is required and the applicant mandate does not comply with it or the applicant fund has not been operating long enough to demonstrate compliance with the standard, the criterion is deemed to have been met if the applicant fund or mandate undertakes to comply with the standard no later than 12 months after the label has been awarded.</p> <p>Quantified standards are calculated, where applicable, based solely on the eligible portion of the mandate (including cash), with the exception of bonds and other debt securities issued by public or quasi-public issuers, cash held on an ancillary basis, and French social impact assets (i.e. “<i>actifs solidaires</i>”) (which are then capped at 10% of the total assets under management at any time).</p> <p>To assess “long- term” compliance with a quantitative standard, the certifier or auditor examines the average of this standard over the portfolio’s history during the 12 months preceding the application to award the label.</p> <p>If it is physically impossible to retrieve the securities, the cost of the transaction is assessed in relation to the weighting of the securities in the portfolio.</p>
-----	--	---	--

## Pillar IV- The ESG engagement policy (dialogue and voting) with issuers

4.1	<p>Criterion 4- The general voting policy and the resources put in place are consistent with the mandate's objectives.</p>	<p>a) The principal must have formalised its voting policy and published the latter on its website. The principal describes its voting policy, particularly with regard to ESG aspects, specifying:</p> <ul style="list-style-type: none"> <li>i. the content of the formal ESG voting policy,</li> <li>ii. the human resources, or external resources (consultants), dedicated to the ESG voting policy and their connection with those dedicated to ESG research,</li> <li>iii. How the voting policy is consistent with the fund's ESG performance objectives.</li> </ul> <p>b) Where the principal has delegated the exercise of voting rights to a mandated agent, the agent shall publish on its website the most recent report on the exercise of the voting policy, specifying:</p> <ul style="list-style-type: none"> <li>i. voting on resolutions submitted to the general meetings of companies in whose portfolios it holds share. The rate of exercise of voting rights is significant. The mandate demonstrates that the proportion of general meetings at which voting rights are exercised represents: <ul style="list-style-type: none"> <li>o more than 90% of general meetings at French companies in which the mandate holds voting rights,</li> <li>o More than 70% of general meetings at non-French companies in which the mandate holds voting rights.</li> </ul> <p style="margin-left: 40px;">The mandate must justify the cases in which voting rights were not exercised.</p> <p style="margin-left: 40px;">The rate of exercise of voting rights will be introduced gradually as follows: greater than 70% for general meetings of French companies and over 50% for general meetings of non-French companies from 01/03/2024, then aligned with the above requirements from 01/01/2025.</p> </li> <li>ii. if applicable, the mandate's participation in shareholder coalitions and any resolution filings made in this context, or the reason why it does not take part in collective actions</li> </ul>	<p>Check the completeness and quality of required information.</p> <p>A mandate that does not participate in the company life of its investments does not meet this criterion.</p> <p>The certifier verifies that the general meetings of funds in the portfolio for which the mandate holds voting rights are included in the calculation of the exercise of voting rights.</p>
-----	--	--	--

		c) The mandate provides the latest internal control report produced by the Compliance and Internal Control Officer (RCCI) on implementation of the voting policy.	
4.2	Criterion 4.2- The general voting policy and the resources put in place are consistent with the principal's objectives.	a) In the event of a mandate concluded with professional clients, the voting and dialogue rights with the issuer are exercised by the principal.	Where applicable, check the completeness and quality of the information required.

<p>4.3</p>	<p>Criterion 4.3 – The ESG engagement policy and resources allocated to its implementation are consistent with the mandate’s objectives.</p>	<p>a) The ESG engagement policy must have been formalised by the mandate and published on the management company’s website. The mandate shall specify:</p> <ul style="list-style-type: none"> <li>i. the content of the formalised ESG engagement policy (in particular: link with the controversy policy, commitment themes, etc.),</li> <li>ii. the human resources, and/or external resources (consultancy), dedicated to the ESG engagement policy and their relationship with ESG research resources,</li> <li>iii. its formalised escalation process, differentiating between actions constituting an enhanced dialogue, public actions and actions constituting an act of management. The escalation process provides for the sale of shares if there is no improvement after a given period.</li> <li>iv. how the ESG engagement policy is consistent with the mandate’s sustainability objectives.</li> </ul> <p>b) The applicant mandate demonstrates that it has processes in place to ensure that each ESG engagement action is subject to:</p> <ul style="list-style-type: none"> <li>i. an explicit request to the issuer,</li> <li>ii. a clear objective enabling the degree of success to be assessed</li> <li>iii. a predefined timeframe at the end of which a formal assessment is made,</li> <li>iv. where necessary, follow-up and escalation actions.</li> </ul> <p>c) The applicant mandate publishes its latest ESG engagement report on its website, and specifies</p> <ul style="list-style-type: none"> <li>i. the number of ESG engagement actions carried out over the past period, and the proportion of the portfolio concerned by at least one ESG engagement action,</li> <li>ii. the classification of ESG actions under the E, S and G pillars</li> <li>iii. for collective ESG actions, the degree of involvement of the management company,</li> <li>iv. any other significant action taken in relation to the issuers in the portfolio.</li> </ul> <p>d) The absence of an ESG commitment document in the following cases will be the subject of a precise and convincing justification:</p> <ul style="list-style-type: none"> <li>i. issuers in the portfolio that do not publish one or more performance indicators selected under criterion 1.c of this reference framework, and for which the applicant mandate considers that the indicator(s) is/are material in view of the ESG issues identified,</li> </ul>	<p>Check the completeness and quality of required information.</p> <p>A mandate that does not effectively use of its escalation process does not meet this criterion.</p> <p>Any mandate that chooses not to launch an engagement action for cases falling under point d) will be subject to particular scrutiny on the part of the certifier.</p>
------------	--	---	--

		<ul style="list-style-type: none"> <li>ii. Portfolio issuers with a transition strategy in line with the Paris Agreement, as defined in Appendix 5 of this reference framework, and whose observed results are not in line with their defined objectives,</li> <li>iii. in the case of a ratings improvement approach, issuers in the portfolio that are among the worst 30% of the initial investment universe on the basis of ESG rating (taking into account the grandfathering clause defined by criterion 3.1.c.ii of these guidelines). These issuers are systematically subject to an ESG commitment, the maximum duration of which may not exceed 3 years (including potential escalations). The issuer may not be retained in the portfolio if no improvement is observed at the end of this period.</li> </ul> <p>e) The applicant mandate provides the most recent internal control report produced by the Compliance and Internal Control Officer (RCCI) on the implementation of the ESG engagement policy.</p>	
--	--	--	--

## Pillar V- Enhanced transparency

5.1	<p>Criterion 5.1- Formal communication with investors is put in place, ensuring their proper understanding of the fund's strategy and objectives.</p>	<p>a) The mandate provides the latest financial and ESG reports communicated to investors and distributors, indicating their frequency and targets (investors and distributors or distributors only). The frequency of communication must be at least annual.</p> <p>b) The mandate provides information on its communication policy vis-à-vis investors, including:</p> <ol style="list-style-type: none"> <li>i. All means of communication with investors,</li> <li>ii. Procedures for handling investors' questions or complaints,</li> <li>iii. Its ability to modify the ESG investment strategy or management practices following questions or complaints from investors.</li> </ol> <p>c) The trustee publishes the complete inventory of the portfolio, in a manner legible by accessible to investors at least annually, with a maximum delay of 6 months in accordance with applicable regulatory constraints (accessible to the general public for funds open to retail investors and via secure access for funds open only to professional investors). For each line in the portfolio, the inventory shall specify the name of the issuer, the identifier (ISIN) and its weight in the portfolio.</p>	<p>Check the completeness, suitability and quality of the required information.</p>
5.2	<p>Criterion 5.2- Compliance with SRI management rules is internally inspected, and these rules are clearly described to investors.</p>	<p>a) The mandate provides evidence that the head of risk management and the head of compliance and internal control (RCCI) are aware of the specific issues associated with ESG portfolio management, and that they actually verify the correct application of the ESG strategy.</p> <p>b) The representative has an internal control and periodic control structure that enables it to integrate, internally or via service providers, an updated ESG strategy compliance report drawn up for this purpose.</p> <p>c) The authorised representative demonstrates existence of procedures aimed at:</p> <ol style="list-style-type: none"> <li>i. identifying potentially significant changes to the mandate's ESG strategy,</li> <li>ii. notifying the certification body of any such significant changes to the ESG strategy.</li> </ol>	<p>Check the completeness, suitability and quality of the required information.</p>



## Pillar VI- Demonstration of ESG performance monitoring of the fund's portfolio

6	<p>Criterion 6- The performance of ESG management for selected issuers is monitored.</p>	<p>The mandate provides information on how it monitors the ESG performance of each issuer in relation to the ESG characteristics used in the portfolio management.</p> <p>The mandate details and make public:</p> <ul style="list-style-type: none"> <li>- its latest reporting of Principal Adverse Impact (PAI) indicators, presenting data on the mandate's scope,</li> <li>- the resources, particular human resources, deployed,</li> <li>- The method used to assess performance and trends in ESG quality, and in particular the monitoring indicators used,</li> <li>- the results obtained, differentiating between (i) environmental performance, (ii) social performance, (iii) performance in terms of governance and (iv) human rights performance.</li> <li>- the engagement actions implemented in relation to each of the indicators,</li> <li>- A comparative study of the portfolio's performance based on indicators used on a long-term basis, in order to study progress made by the issuers</li> <li>- the asset management company presents the results of the monitoring of the portfolio's ESG characteristics to the issuers.</li> </ul> <p>For new funds, the fund indicates the ESG performance indicators it intends to implement and monitor.</p> <p>Details of the information to be provided are given in Appendix 8.</p>	<p>Check the completeness, suitability and quality of the required information.</p>
---	--	--	---

## Appendices

### Appendix 1 - Glossary

AFG	French asset management association ( <i>Association Française de la Gestion financière</i> )
AIFM	Alternative Investment Fund Managers
AMF	French financial markets authority ( <i>Autorité des Marchés Financiers</i> ).
ASPIM	French association for real estate investment companies ( <i>Association Française des Sociétés de Placement Immobilier</i> )
KIID	Key Investor Information Document
ESG	Environmental, Social, and Corporate Governance
EPRA	European Public Real Estate Association
AIF	Alternative Investment Funds
FIR	Socially responsible investment forum ( <i>Forum pour l'Investissement Responsable</i> )
FIVG	General investment fund ( <i>Fonds d'Investissement à Vocation Générale</i> )
FPI	Real estate investment fund ( <i>Fonds de Placement en Immobilier</i> )
GECO	Database of savings products and management companies approved by the AMF
GHG	Greenhouse gas
INREV	European Association for Investors in Non-Listed Real Estate Vehicles
INSEE	French national institute for statistics and economic research ( <i>Institut National de la Statistique et des Etudes Economiques</i> )
MIF	Markets in Financial Instruments
OPCI	Undertaking for collective investment in real estate ( <i>Organisme de Placement Collectif Immobilier</i> )
OPPCI	Undertaking for professional collective investment in real estate ( <i>Organisme de placement professionnel collectif immobilier</i> )
UCITS	Undertaking for collective investment in transferable securities
PRI	Principles for Responsible Investment
RCCI	Head of compliance and internal control ( <i>Responsable de la Conformité et du Contrôle Interne</i> )
RCS	Trade and Companies Register ( <i>Registre du Commerce et des Sociétés</i> )
CSR	Corporate Social Responsibility
SA	French public limited company ( <i>Société Anonyme</i> )
SAS	French simplified joint-stock company ( <i>Société par Action Simplifiée</i> )
SCI	French non-trading real estate company ( <i>Société Civile Immobilière</i> )
SCPI	French real estate investment company ( <i>Société Civile de Placement Immobilier</i> )
SPPICAV	French investment company with variable capital investing primarily in real estate ( <i>Société de Placement à Prépondérance Immobilière à Capital Variable</i> )



## Appendix 2 - List of documents to be provided by the applicant fund

1. Contractual and regulatory fund documentation: Prospectus (OPCI) or regulations, briefing note (SCPI), KID or KIID (SCPI and OPCI/OPPCI), declaration to the Trade and Companies Register (AIF in real estate “by object”), etc. (for funds in formation: draft contractual and regulatory fund documentation).
2. Civil law contract in the case of a management mandate.
3. Marketing materials, reporting (latest) and annual report.
4. Detailed portfolio statement complying with the requirements set out in criterion 3.1 (except for funds of funds).
5. For funds-of-funds only, portfolio statement consistent with the requirements set out in eligibility Criterion 4.
6. List of supply contracts cited in Criterion 2.2
7. Table (or data) enabling verification, where applicable, of compliance with Criterion 3.1 c).
8. The fund’s engagement policy towards its key stakeholders complies with the requirements set out in criterion 4.1.
9. Summary document meeting the information requirements of criteria 1.1, 2.1, 2.2, 3.1, 4.1, 5.1, 5.2 and 6.1 or annual changes to these criteria in addition to the actual responses to non-conformities, where applicable, in the event of surveillance audits.
10. Latest report on the execution of the voting policy and latest internal control report on the compliance of the voting policy.
11. Latest ESG engagement report and latest internal control report on compliance with voting policy
12. Latest internal control report on the compliance of the fund’s SRI management procedure in accordance with the requirements of criterion 5.2.
13. Descriptive table on the use of derivatives.

### Appendix 3 - Use of derivatives

For both bonds and equities, the use of derivatives is possible but subject to certain conditions. These derivatives are used in addition to a portfolio invested in ESG-analysed securities.

There are two aspects to the management of a fund:

- the selection of portfolio securities
- portfolio construction (managing the operation of the fund)

Derivatives are mainly used in the construction of the portfolio.

- Use of derivatives for hedging purposes: this must be authorised in accordance with the fund's ESG policy. There must be no contradiction with the ESG nature of the fund. The portfolio is always invested in ESG-assessed securities, but the performance takes into account the neutralisation of equity market risk.
- Use of derivatives as an exposure: use as exposure must be possible on a marginal basis, with a view to efficient exposure management (for example, when insufficient cash is available to buy back a full basket of equities). In this case, the underlying assets must be clearly identifiable and taken into account in the quantitative standards of the label. The use of derivatives as exposure beyond the realm of efficient and marginal management must be temporary and exceptional. The fund's reporting and any additions made must enable each management company to explain how it does this and, in particular, to illustrate the temporary nature of the use of derivatives as an exposure. Furthermore:
  - Exposure to a particular security or index must be possible, in particular to respond to strong movements in liabilities (subscriptions or redemptions),
  - in the case of a security, the underlying asset must be part of the ESG investable universe,
  - in the case of an index, provisional exposure to the fund's benchmark index must be possible, even if this index is not ESG.
  - The use of derivatives to short non-ESG securities (e.g. outright purchase of puts on non-ESG securities) is inappropriate.

Finally, with regard to OTC instruments, the manager must analyse the ESG quality of the counterparties. In order to illustrate the use of derivatives by the fund, the management company must provide a descriptive table showing the type of derivatives used over the last 12 months. This table contains, in particular, the nature and number of derivatives used, the percentage of the portfolio concerned, the ESG analysis made of the underlying securities and counterparties, the strategy (market hedging, liquidity management, etc.) and whether the derivative has an effect on the ESG performance of the portfolio.

## Appendix 4 - Information to be provided regarding the significance of the ESG selection

The following requested information is to be accompanied, where appropriate, by certificates of compliance or verification of the indicators produced by external third-party organisations.

The choice of the two indicators subject to performance targets is to be made from amongst the sustainability indicators relating to adverse, mandatory or additional impact (as defined in Tables 1, 2 and 3 of Appendix 1 to Delegated Regulation (EU) 2022/1288). Indicators subject to exclusion criteria may not be used as part of a performance target (in particular indicator 10. Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises and 14. Exposure to controversial weapons). Indicators with the same metric cannot be selected together (in particular indicators 1. GHG emissions, 2. Carbon footprint and 3. GHG intensity of investee companies).

If the fund is able to justify the absence of sustainability indicators linked to its ESG objectives, it may select a performance indicator of its choice. The second performance indicator must be selected from the adverse sustainability indicators described above.

For each indicator provided, the fund must state:

- Its coverage by number of issuers or assets under management
- the calculation method used where no definition is specified by European Regulation (EU) 2019/2088, in particular by the technical standards referred to in Article 4(6) and (7) (indicating any changes in method from one year to the next),
- Any difficulties encountered in its preparation, any explanations of the performance observed, and the measures taken, measures planned, and targets set for the coming period,
- An analysis of changes over the last three years (however, it is accepted that for the first two labelling campaigns, the indicators only concern years Y & Y-1,
- a comparison between the tracking indicator and the fund's initial investment universe benchmark. The fund must have outperformed its initial investment universe or benchmark.

To allow for the progress needed on the availability of issuer sustainability data, the coverage rate will be rolled out gradually:

- Before end 2024: a first indicator with a coverage rate of at least 70% and a second with a coverage rate of at least 50%,
- Before end 2025: a first indicator with a coverage rate of at least 80% and a second with a coverage rate of at least 55%,
- Before end 2026: a first indicator with a coverage rate of at least 90% and a second with a coverage rate of at least 60%.

For funds being created, the fund indicates the ESG performance indicators it intends to implement and monitor.

## Appendix 5 - Information to be provided on the consideration given to climate issues.

The following requested information is to be accompanied, where appropriate, by certificates of compliance or verification of the indicators delivered by external third-party organisations.

In order to demonstrate how climate issues are taken into account, the asset management company of the applicant fund must show that it has implemented a method for assessing the climate transition strategies of ESG-analysed issuers that includes the following elements:

- An analysis of the issuer's various greenhouse-gas (GHG) emissions reduction targets (Scopes 1, 2 and 3), including its 2050 objective and intermediate targets for the short, medium and long term as well as an analysis of the consistency between the trajectory defined by these targets and sectoral scenarios aligned with the climate objectives of the Paris Agreement,
- Analysis of the resources committed by the issuer and their relevance to achieving the targets set (in particular the action plans in place, the financial resources allocated, and the company's engagement strategy vis-à-vis its value chain to encourage emissions reductions). Particular attention will be paid to carbon offsetting mechanisms, which shall not be used as a tool to achieve set targets except in an ancillary way to address residual emissions,
- Analysis of the issuer's governance structure and the latter's ability to implement the strategy for achieving climate ambitions, in particular the policies set out, the composition and involvement of its management bodies, the transparency of climate reporting and the extent to which "fair transition" (*transition juste*) issues are taken into account.

The management company of the applicant fund shows that the above-mentioned method for assessing climate transition plans is applied to all ESG-analysed issuers in the portfolio.

In addition, a minimum proportion of issuers subject to increased vigilance, as defined below, will be subject to an obligation to achieve results. Taking into account data availability issues and the gradual evolution of company practices, the thresholds below must be met by 1 January 2026 at the latest:

- 15% of issuers subject to increased vigilance must have a credible climate transition plan in line with the climate objectives enshrined in the Paris Agreement. An applicant fund with a share higher than 15% may count the difference towards meeting the threshold below,
- 20% of issuers subject to increased vigilance are subject to engagement action as defined in pillar IV of these guidelines, for a maximum period of 3 years. If a credible transition plan has not been published by the end of this period, the issuer may no longer be held in the portfolio.

The method used to calculate the thresholds above must be consistent with the method selected under Criterion 3.1.a) of the standards. Thresholds will be revised annually, based on the proposal from the label committee, based on the availability of data and changes in corporate practices.

Issuers subject to increased vigilance are defined as issuers in "high climate impact sectors" as defined in the Delegated Regulation (EU) 2022/1288. The sector to which an issuer belongs is established on the basis of the NACE (Nomenclature of Economic Activities) code of its primary business.

In addition, the applicant fund must demonstrate that the actual trajectory followed by issuers with a credible transition plan is monitored over time; in the event of significant discrepancies between the results obtained and the objectives set, an ESG engagement action as described in Pillar IV will have to be triggered. At the end of this process, if the trajectory is still not respected, the issuer cannot be retained in the portfolio.

The applicant fund publishes the percentage of ESG-analysed issuers with a climate transition plan.

The applicant fund shall endeavour to rely on the latest updated versions of reference frameworks aligned with the climate objectives set out in the Paris Agreement, as well as on best practices and recognised methods where available. To this end, the applicant fund will describe the external tools and frameworks used to support the quality of the analysis, in particular:

- The framework used to establish and report the data used (e.g. CSRD, ISSB, TCFD), as well as the mechanisms in place for controlling the quality and consistency of these data,
- Methodological guides employed (e.g. ACT, Climate Action 100+),
- Scenarios aligned with the climate objectives described above used in analysing sectors subject to increased scrutiny (for example, International Energy Agency (IEA) scenarios, the One Earth Climate Model (OECM),

the NGFS, SBTI or Transition Pathway Initiative scenarios).

If a fund chooses not to use any of tools or reference frameworks listed above, even when they are available, it must demonstrate the consistency of any and all tools and reference frameworks used with the climate objectives described above.



## **Appendix 6 – Information to be provided regarding the initial investment universe**

The applicant fund describes its initial investment universe and demonstrates that it is constructed using a systematic approach. In the case of a selective approach, the percentage of issuers added on a discretionary basis may not exceed 10% of the initial investment universe (according to the calculation method described in Criterion 3.1 of these guidelines), and the ESG rating of issuers added on a discretionary basis may not be lower than the minimum ESG rating required for inclusion in the portfolio.

The applicant fund demonstrates that the method used to construct its initial investment universe guarantees a representative investment policy and prevents intrinsic biases that would artificially lower quantitative requirements of the label. Should one or more significant discrepancies be detected between the geographical, sector and/or capitalisation weightings of the initial investment universe and the historical or target weightings of the portfolio (or any calculation justified as equivalent), then the weightings of the initial investment universe must be rebalanced to correct each significant discrepancy identified, and thus guarantee the consistency of the weightings of the universe and the historical or target weightings of the portfolio (or any method justified as equivalent). For the purpose of this criterion, a significant deviation is defined as  $\geq 5\%$ . The method used to calculate weighting deviations and the 5% must be consistent with the method used to calculate the weighting of the benchmark index/initial universe for rating improvement approaches or the exclusion rate for selectivity approaches.

The weightings of the initial investment universe are updated at least once per year.

Analysis to verify the consistency of the initial investment universe may be carried out at fund level, or by sub-universe. In this case, the elements described above must be provided for each sub-universe, and compliance with the quantitative standards of the SRI label is studied for each of the segments thus considered.

### **Special case of sustainable thematic funds opting for a selective approach:**

An applicant fund that can show its investment strategy is based on selecting companies with a sustainable focus (their sustainability justified with reference to a recognised benchmark or framework) may demonstrate the representativeness of its initial investment universe and measurable implementation of its ESG strategy via:

- Constitution of an initial investment universe without a sustainable theme, made up of issuers from sectors and/or whose activities are identified as related to the theme in the broadest sense. To this end, the applicant fund must present and justify the rules and thresholds used to identify the issuers selected (based, for example, on % of turnover, CAPEX, etc.),
- Definition and justification of the criteria used to establish the sustainable nature of activities within the chosen theme, and those designed to ensure that there is no negative impact on the theme (e.g. dedicated methodology, specific exclusion policy, sustainable theme charter, etc.),
- The definition of a sustainable thematic investable universe, made up of issuers whose activity stems from sustainable activities related to the theme, as identified above.

Compliance with the 30% selectivity standard is then verified on the basis of the reduction in the sustainable thematic investment universe versus the sustainability lacking alternative initial thematic investment universe (taking into account the grandfathering clause defined under Criterion 3.1.c.ii of these guidelines).

## Appendix 7 - Exclusions

### The following are excluded on the basis of social criteria:

- Any issuer involved in the production of systems, services, or components specifically designed for weapons whose use is prohibited by France's international commitments (biological weapons; chemical weapons; anti-personnel mines; cluster munitions).
- Any issuer suspected of serious and/or repeated violations of one or more principles of the UN Global Compact.
- Any issuer that whose business is more than 5% derived from the production or distribution of tobacco, or products containing tobacco.

### The following are excluded on the basis of environmental criteria:

- Any issuer whose business is 5% or more derived from the exploration, extraction or refining of thermal coal or the supply of products or services specifically designed for these activities, such as transport or storage; as well as any issuer developing new thermal coal exploration, extraction or transport projects,
- Any issuer developing new projects for the exploration, extraction and refining of liquid or gaseous, conventional and/or unconventional fossil fuels,
- Any issuer that derives more than 5% of its total liquid or gaseous fossil fuel production from the exploration, extraction and refining of non-conventional liquid or gaseous fossil fuels. Unconventional liquid or gaseous fossil fuels are identified per the definition of the Scientific and Expertise Committee of the Sustainable Finance Observatory, namely oil shale and shale oil, shale gas and shale oil, oil sands, extra-heavy oil, methane hydrates, ultra-deep offshore oil and gas and fossil oil and gas resources in the Arctic,
- Any issuer whose main activity is the production of electricity, and whose carbon intensity in the production of electricity is not compatible with the objectives of the Paris Agreement. The fund may be based on the thresholds below,<sup>9</sup> or any other scenario in line with the objectives of the Paris Agreement:

Year	2023	2024	2025	2026	2027	2028
geqCO2/kWh	366	326	291	260	232	207

### The following are excluded on the basis of a governance criterion:

- Any issuer whose head office is located in a country or territory included in the latest available version of the EU list of countries and territories not cooperating on tax issues.<sup>10</sup>
- Any issuer whose registered office is domiciled in a country or territory on the Financial Action Task Force (FATF) blacklist or greylist.<sup>11</sup>

### Sovereign bonds are excluded when issued by countries and territories under the following:

- Included in the latest available version of the EU list of countries and territories uncooperative for tax purposes,
- Blacklisted or greylisted by the Financial Action Task Force (FATF),
- A score strictly below 40/100 on the latest version of the corruption perception index published by Transparency International.<sup>12</sup>

For exclusions based on a turnover threshold, the proportion of activity to be considered is that of turnover for the last published financial year. When the percentage of sales derived from an activity is unknown or unrepresentative (one-off price or volume effect), the audited applicant fund must present an estimate of this proportion based on physical indicators or historical prices and volumes. Where several activities in the same value chain are excluded, the proportion of sales to be considered corresponds to the sum of the weighting in sales of each excluded activity.

<sup>9</sup> Data from the International Energy Agency

<sup>10</sup> <https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/>

<sup>11</sup> <https://www.fatf-gafi.org/en/countries/black-and-grey-lists.html>

<sup>12</sup> <https://www.transparency.org/en/cpi/>

## Appendix 8 – Information required on the monitoring of the fund portfolio’s ESG performance

The following requested information is to be accompanied, where appropriate, by certificates of compliance or verifications of the indicators delivered by external third-party organisations.

For each indicator presented in its most recent statement on the Principal Adverse Impacts (PAI) of investment decisions on sustainability factors,<sup>13</sup> the fund must provide:

- Its coverage in terms of number of issuers or assets under management,
- The calculation method used in such case as no definition is specified in European Regulation (EU) 2019/2088 (indicating any changes in method from one year to the next),
- Any difficulties encountered in drawing up the list, any explanations of the performance observed, and the measures taken, measures planned, and targets set for the coming period,
- A performance analysis covering the prior three years (however, it is accepted that for the first labelling campaign the indicators relate only to year Y & Y-1),
- A comparison between the tracking indicator and the benchmark index/initial universe.

---

<sup>13</sup> as described by the technical standards referred to in Article 4(6) and (7) of European Regulation (EU) 2019/2088

**Appendix 9 - Information to be provided on ESG performance measurement (Pillar 6)**

The applicant fund provides information on the monitoring of the performance of its investment and management policy by producing performance indicators for each of the three E, S and G reporting areas. Where applicable, this information may be accompanied by a certificate of verification of the indicators produced by an independent third-party organisation.

Depending on the area under consideration, the number of indicators expected and the methods for selecting these indicators vary:

- Environmental performance: the fund must report at least the 2 mandatory indicators proposed for the “energy” and “greenhouse gas (GHG) emissions” themes in the table below,
- Social/societal performance: the fund must report at least 1 mandatory indicator out of those proposed for the “mobility” and “health/comfort of occupants” themes in the table below,
- Governance performance: the fund must report at least 1 mandatory indicator from the “supply chain management” theme (may differ from the indicators proposed in the table below but must address the “supply chain management” theme).

In addition to these 4 mandatory indicators, the fund must also report 4 additional indicators of its choice covering the 3 E, S and G pillars. In order to do so, it may use, in particular, the indicators listed in the table below or any other relevant indicator of its choice. The production of additional indicators, reported to an activity unit where applicable, which may be considered more relevant is encouraged.

Asset labels and certifications may be used as other relevant indicators by the fund in the reporting area of its choice (the same label or certification may only be used for one reporting area). On the other hand, they may only be used in addition to the mandatory indicators for each reporting area.

For each indicator provided, the fund must explain the choice of indicators chosen and state:

- Its coverage in terms of value of assets under management,
- Its scope,
- Its calculation method (indicating any changes in method from one year to the next),
- Any difficulties encountered in its preparation and the reasons why (an) additional indicator(s) is/are proposed,
- An analysis of its changes over the last three years (however, it is accepted that for the first two years during which a fund is certified, the indicators concern only years Y & Y-1).

Reporting areas	Themes	Proposed ESG performance indicators
Environment	Energy*	Energy performance (e.g. kWh <sub>ep</sub> /m <sup>2</sup> or kWh <sub>ef</sub> /m <sup>2</sup> ) for all utilities, all uses, communal and private areas <sup>14</sup> , where the energy produced cannot be deducted from actual consumption*
	GHG* emissions	GHG emissions in absolute terms (e.g. kgCO <sub>2</sub> eq) or relative terms (e.g. kgCO <sub>2</sub> eq/m <sup>2</sup> ), Scopes 1 & 2 at least, all utilities, all uses, communal and private areas, as the energy produced cannot be deducted from actual consumption* <sup>15</sup>
	Water management	Water consumption in absolute or relative terms (water extracted, water reused)
	Waste management	Percentage of assets equipped with devices to encourage selective waste sorting by occupants
	Biodiversity	Percentage of assets having undergone a biodiversity analysis or incorporating a biodiversity-friendly measure (green roof/wall, offsetting measures, etc.) Revegetation rate of the plot / Biotope Area Factor (BAF)
-	-	Any other relevant indicator (e.g. labelling/certification, etc.)

Reporting areas	Themes	Proposed ESG impact indicators
Social/Societal	Mobility*	Proximity to transport hubs by category (public transport, electric vehicle charging stations and bicycle docks, car-pooling assembly points, train stations and airports, road infrastructure: departmental trunk roads, express roads and motorways)
	Health and comfort of occupants*	Percentage of assets covered by a specific analysis on comfort and quality of life (natural light, hygrothermal comfort, noise pollution and odour nuisance) Percentage of assets covered by a system for measuring and improving indoor air quality or water quality Percentage of assets that have been the subject of actions to improve accessibility for people with disabilities that go beyond the regulations

<sup>14</sup> Except in the specific case of housing, for which the reporting scope may be limited to private and/or communal areas, and to the uses targeted by the housing ECD.

<sup>15</sup> The scope of the indicator must be consistent with the recommendations of the European Public Real Estate Association (EPRA). To calculate GHG emissions, the Fund may use the main calculation methods in force: regulatory method Article 75, Bilan Carbone®, ISO 14064 and 14069, GHG Protocol and the emissions factors in ADEME's Base Carbone®.

	Services provided to occupants	Percentage of assets equipped with services geared towards the health and well-being of occupants (gym, healthy catering, nurseries, green spaces, etc.) or located close to local services and shops
	Contributing to local development	Number of actions carried out that contribute to local development by typology (job creation, integration, training, help for those most in need, community services etc.)
	-	Any other relevant indicator (e.g. labelling/certification, etc.)
Governance	<b>Supply chain management (property manager, etc.)*</b>	Percentage of contracts with service providers that include ESG clauses (integration clauses, use of local labour, energy and CO <sub>2</sub> emissions awareness campaigns, etc.) Percentage of service providers audited for compliance with the management company's ESG charter
	Tenant, user and resident relations	Percentage of assets for which an ESG awareness and occupant information system has been set up (user guide, environmental appendices, green lease, etc.) Percentage of assets for which a satisfaction survey incorporating ESG criteria has been carried out
	Resilience	Percentage of assets covered by a monitoring and evaluation system designed to control risks related to the consequences of climate change likely to impact stakeholders
	-	Any other relevant indicator (e.g. labelling/certification, etc.)

\* The themes and indicators in bold followed by an asterisk correspond to mandatory themes and/or indicators described above the table.

## Appendix 10 - Information to be provided on the minimum ESG rating (Pillar 3)

The applicant fund provides explanations on the choice of the minimum ESG assessment chosen in accordance with the fund's strategy and objectives and based on tangible information (sector standard, market study, internal benchmark, etc.). Explanations on the choice of the minimum ESG assessment chosen for each of the criteria contributing to the ESG assessment of an asset is encouraged.

An applicant fund in which more than 80% of its assets (by value of the portion of real estate assets) have an ESG assessment above the minimum ESG assessment demonstrates that the ESG assessment methodology used is based on the use of quantitative indicators from the acquisition phase, at least for the 4 mandatory reporting indicators<sup>3</sup>, and justifies the choice of the minimum ESG assessment chosen for each indicator based on tangible information (sector standard, market study, internal benchmark, etc.). For each asset with an ESG assessment higher than the minimum ESG assessment, the applicant fund demonstrates that the value of the energy and GHG emissions indicators of each asset is lower than the average value of a recent reference market benchmark<sup>4</sup> (e.g. the Green Building Observatory's (*Observatoire de l'Immobilier Durable* - OID) barometer of the environmental and energy performance of tertiary buildings or equivalent) for the asset class and market concerned. In the absence of data available in the OID's database or equivalent, the applicant fund may proceed by country or asset typology analogy or propose other justified systems.

By way of illustration, examples of reference values on which the fund can rely to justify the minimum performance threshold chosen are presented in the tables below.

This list is not intended to be exhaustive and may be supplemented as soon as new references are made available on new subjects or new asset classes.

Examples of reference values based on average values from site surveys:

Asset class > Indicators v	Office	Retail <sup>16</sup>	Food supermarkets	Logistics	Mixed tertiary <sup>17</sup>	Housing <sup>18</sup>
<b>Final energy</b> (kWh <sub>EF</sub> /m <sup>2</sup> )	179	96 (232)	544	146	156	226
<b>Primary energy</b> (kWh <sub>EP</sub> /m <sup>2</sup> )	382	215 (543)	1 326	243	328	257
<b>GHG emissions</b> (kgCO <sub>2</sub> eq/m <sup>2</sup> - Scopes 1 & 2)	16	11 (27)	50	20	19 <sup>7</sup>	48

Source: Observatoire de l'Immobilier Durable (OID), 2019 barometer for the energy and environmental performance of tertiary buildings, January 2020.<sup>19</sup>

<sup>16</sup> Retail: the values shown relate to consumption excluding estimated consumption by tenants (common areas and heating, ventilation and air conditioning for shops only). The values shown in brackets include estimated consumption by tenants.

<sup>17</sup> Mixed tertiary: in the absence of data published in 2019, the value indicated for GHG emissions has been taken from the 2018 barometer of the environmental and energy performance of tertiary buildings published by the OID in January 2019.

<sup>18</sup> Housing: the values indicated concern consumption relating to common areas and the heating of collective buildings heated by gas or using an urban heating network.

<sup>19</sup> The data provided by the OID are three-year averages (at current scope, weighted by the number of buildings) and cover a sample of 19,500 buildings (i.e. 42 million square metres, including 13 million for offices in the Paris Region, representing 24% of the Paris Region office stock, ORIE 2019 data).

Definition of the indicators:

- Energy: actual energy consumption, all uses, private and common areas (except for shopping centres, common areas only).

- GHG emissions: GHG emissions due to the energy consumption of the building

The units of area used are taken from regulatory texts, the GUA (Gross Usable Area) for all categories except for shops, for which the area used is the GLA (Gross Leasing Area) within the lessor's area.

Examples of minimum reference values based on regulatory requirements (the threshold set for the minimum ESG rating must exceed these values):

v Indicators	Asset classes >		Office	Trade	Industry	Housing
<b>Electrical charging points</b> (Number of pre-equipped spaces in new buildings, equipped spaces in existing buildings)	New <sup>20</sup>	≤ 40 spaces	10%	5%	10%	50%
		> 40 spaces	20%	10%	20%	75%
	Existing <sup>21</sup>	-	5 – 10% <sup>22</sup>	NC <sup>23</sup>	NC	NC
<b>Bicycle parking</b> (Number of spaces or surface area in m <sup>2</sup> according to asset class)	New	-	1.5% of the SDP <sup>24</sup>	2 – 10% <sup>25</sup>	15% of total occupants	0.75m <sup>2</sup> per Studio-1Bdr 1.5m <sup>2</sup> per 2+Bdr <sup>26</sup>
	Existing	-	N/A	N/A <sup>1</sup>	N/A	N/A

Sources:

- Cycle parking for commercial developments: Order of 3 February 2017 amending the order of 13 July 2016 on the application of articles R. 111142 to R. 111148 of the Construction and Housing Code
- Bicycle parking for new buildings used mainly for residential, office, industrial or tertiary purposes: Order of 13 July 2016 relating to the application of articles R. 111-14-2 to R. 111-14-8 of the Construction and Housing Code
- Electrical pre-equipment for car parks in new buildings used mainly for residential or tertiary purposes, or for commercial complexes: Decree no. 2016-968 of 13 July 2016 on installations dedicated to charging electric or rechargeable hybrid vehicles and infrastructure for parking bicycles during the construction of new buildings.
- Electrical equipment for car parks in existing buildings mainly used as offices: Decree no. 2011-873 of 25 July 2011 on facilities for recharging electric or rechargeable hybrid vehicles in buildings and infrastructure for secure bicycle parking.

<sup>20</sup> Applicable to building permits submitted after 1 January 2017.

<sup>21</sup> Applicable from 1 January 2015 for offices and for building permits submitted after 1<sup>er</sup> January 2012 for buildings used mainly for residential or tertiary purposes.

<sup>22</sup> 5% when the building is located in an urban area with fewer than 50,000 inhabitants and the parking capacity exceeds 40 spaces, 10% when the building is located in an urban area with more than 50,000 inhabitants and the parking capacity exceeds 20 spaces.

<sup>23</sup> N/A: Not applicable.

<sup>24</sup> SDP: *Surface de plancher* (roughly equivalent to **Net Internal Area**)

<sup>25</sup> ≤ 40 spaces, 10% of car park capacity (minimum 2 spaces) > 40 spaces and ≤ 400 spaces, 5% of car park capacity (minimum 10 spaces) > 400 spaces, 2% of car park capacity (minimum 20 spaces, maximum 50 spaces).

<sup>26</sup> Area of 0.75m<sup>2</sup> per dwelling for dwellings with up to two main rooms and 1.5m<sup>2</sup> per dwelling in other cases, with a minimum area of 3 m<sup>2</sup>.



## Appendix 11 - Information to be provided on ESG assessment methodology (Pillar 3)

The applicant fund provides information on the ESG assessment methodology and discloses the relative weighting within the rating of each of the three E, S and G areas, in addition to that of each of the chosen ESG criteria.

The relative weighting of each area in the ESG rating must respect the thresholds set out below:

- Environment: represents between 30% and 60% of the ESG rating,
- Social/societal: represents between 20% and 50% of the ESG rating,
- Governance: represents between 20% and 30% of the ESG rating.

Depending on the area under consideration, the number of criteria expected and the methods for selecting these indicators vary:

- Environment: the fund must include at least 2 mandatory criteria in its assessment methodology: “energy” and “greenhouse gas (GHG) emissions,”
- Social/societal: the fund must include at least 1 mandatory criterion in its assessment methodology, to be chosen between “mobility” and “health/comfort of occupants,”
- Governance: the fund must include at least 1 mandatory criterion in its assessment methodology with respect to “supply chain management.”

The relative weighting of each mandatory criterion must represent between 10% and 30% of the rating of the area under consideration. In addition to these 4 mandatory criteria, the fund may use any other relevant criterion of its choice while ensuring that the thresholds set out in the table below are respected. The relative weighting of these other relevant criteria may not exceed 30% of the rating of the corresponding area.

Fields of expertise > v ESG assessment methodology requirements	Environment	Social/Societal	Governance
Percentage of the area concerned in the overall ESG rating	30% – 60%.	20% – 50%.	20% – 30%.
Percentage of each mandatory criterion <sup>27</sup> in the area concerned	10% – 30%	10% – 30	10% – 30%
Sum of the weightings of the mandatory criteria <sup>15</sup> in the area concerned	20% – 60%	10% – 30%	10% – 30%
Percentage each of the other chosen criteria in the area concerned	≤ 30%	≤ 30%	≤ 30%

<sup>27</sup> Environmental: energy consumption and CO<sub>2</sub> emissions - Social/societal: mobility or health/comfort of occupants - Governance: supply chain management.