



CLIMATE TRANSPARENCY REPORT

2019

METROPOLE Gestion

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-3DE0F095-69CA-4AB8-9786-7F19A75EBE5D/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	✓	Public				
SG 01.12 CC	-	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	-	Public				
SG 14.6 CC	-	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS

Name	METROPOLE Gestion
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	>50% Listed Equity Internally Managed
Signed PRI Initiative	2009
Region	Europe
Country	France
Disclosure of Voluntary Indicators	92% from 38 Voluntary indicators

METROPOLE Gestion

Reported Information

Public version

Strategy and Governance

PRI disclaimer

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

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

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

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

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

SG 01.3

Indicate if the investment policy covers any of the following

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

SG 01.4

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

METROPOLE Gestion specialises in the selection of undervalued stocks (Value Investing) with the potential of reducing the discount in the share price (upside potential) within a reasonable time frame, i.e. 18 to 24 months. This concept is based on a simple principle: by purchasing a stock at a discount, investors are able to minimize the risks and maximize profitability in the medium term. This process is strictly applied by all managers within the framework of collective management and has proven its efficiency over the medium term in all market climates and over a complete market cycle.

Our ESG approach relies on a 360° analytical approach to the company, taking into account three aspects: extra-financial analysis, financial analysis, balance sheet analysis.

It is a Best-in-class/Best Effort multi-sector approach that encourages companies to improve in three key extra-financial areas: Environment/Social/Governance.

Our ESG approach is based on engaging with companies:

- by exercising the voting rights attached to securities held in the portfolio, as part of a voting policy published on our website.
- by direct dialogue with issuers as a means of detecting ESG risks and influencing the strategy of companies analysed.

SG 01.5

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

Since 2009, METROPOLE Gestion has been keen to establish a methodological basis independent of the major ESG rating agencies by establishing an academic collaboration with the University of Auvergne in order to produce an in-house company rating system proprietary to METROPOLE Gestion.

1. The reference framework:

The frame of reference is the architecture of the rating system. It is organised into 4 orthogonal pillars:

- Environment
- Social
- Governance
- Stakeholders

2. Quantitative analysis: data metrics and aggregation:

- We use Eikon (Thomson Reuters), one of the largest extra-financial databases (5000 companies worldwide), which provides stable data over time, combining official corporate data (annual reports, sustainable development reports) and details of any controversies sourced from press agencies.
- Using this data, we build 150 indicators to measure each element of our standards, favoring outcomes over drivers deployed (75% - 25%).
- Each pillar is equally weighted.
- Best in Class rating: each company is rated in relation to its sector to obtain a Best in Class rating.
- Best Effort rating (1 to 5 stars): this takes into account the change in extra-financial rating over the past four years, with additional weighting given to the last year.
- Ratings are reviewed annually.

3. Qualitative analysis:

The quantitative rating is verified and completed by the qualitative analysis. It is based on the following elements:

Consideration of current controversies

All the controversies relating to stocks held in the portfolio are fed back and monitored weekly.

On new companies studied, controversies are analysed over the last three years in addition to the quantitative score.

Analysis of specific sector risks

We also pay close attention to identifying specific ESG risks. We include these risks in our analysis for all companies in the same sector.

Dialogue with the companies

The dialogue with companies is through interviews with CSR managers and company managers (at least once a year for portfolio companies), which provide the opportunity to look in greater detail at the identified risks, pinpoint unidentified risks during the rating process and develop the company's strategy.

4. Our Responsible Value Investment policy:

Our SRI approach is in phase with our Value management process: breaking free of short-termism to generate outperformance. This approach covers almost all our AuM.

METROPOLE Gestion Responsible Value Investing is a global, integrated management process.

Selection of securities:

- discounted against their industrial value,
- in sound financial health commensurate with their activity and the economic cycle,
- demonstrating strong extra-financial conviction: companies rated above or equal to BBB- (Investment grade) may be selected with no Best effort condition; companies rated below or equal to BB+ may be selected subject to a minimum +++ Best effort rating; companies rated in the CCC bucket are ruled out.

Adjusted according to:

- financial catalysts,
- extra-financial catalysts: new controversies or changes in extra-financial rating.

Exit from the portfolio or lower the weighting in the event of:

- downgrading of the extra-financial analysis (significant controversies or rating downgrade),
- disappearance of catalysts,
- decrease in financial discount.

Exclusion of companies linked directly or indirectly to the financing of controversial weapons, as provided for by international conventions and the French Defence Code (Code de la Défense) and applied across our entire range.

Are also excluded mining companies that generate more than 30% of their revenue through coal production, energy-producing companies more than 30% of whose production comes from coal, companies linked to tobacco production and companies linked to pornography.

We maintain an average ESG rating for the portfolio above that of Eurozone listed companies with a market capitalisation in excess of €5 billion (some 280 companies), after deduction of 20% of the lowest ratings.

○ No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
----------	-----------	--------	-------------	---------

SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
-------------------	---

Within our ESG framework (150 indicators), the following indicators include an appraisal of risks and opportunities related to climate change:

- Emission Reduction/ Monitoring (outcome): percentage of company sites or subsidiaries that are certified with any environmental management system.
- Emission Reduction/ Greenhouse Gas Emissions: Total CO2 and CO2 equivalents emission in tonnes divided by net sales or revenue in US dollars.
- Emission Reduction/ Environmental Expenditures: Total amount of environmental expenditures. Does the company report on making proactive environmental investments or expenditures to reduce future risks or increase future opportunities?
- Emission Reduction/ Transportation Impact Reduction: does the company report on initiatives to reduce the environmental impact of transportation used for its staff?
- Emission Reduction/ Improvements: has the company set targets or objectives to be achieved on emission reduction?
- Emission Reduction/ Implementation: does the company have a policy to improve emission reduction?
- Emission Reduction/ Innovative Production: does the company report on its participation in any emissions trading initiative?
- Emission Reduction/ Monitoring (outcome): percentage of company sites or subsidiaries that are certified with any environmental management system.
- Emission Reduction/ Cement CO2 Emissions: Total CO2 and CO2 equivalents emission in tonnes per tonne of cement produced.
- Emission Reduction/ Ozone Depleting Substances: Total amount of ozone depleting (CFC-11 equivalents) substances emitted in tonnes divided by sales or revenue in US dollars.
- Emission Reduction/ Self-Reported Environmental Provisions: Environmental fines as reported by the company divided by net sales or revenue in US dollars
- Emission Reduction/ Fleet CO2 Emissions: Total fleet's average CO2 and CO2 equivalent emissions in g/km divided by net sales or revenue in US dollars
- Resource Reduction/ Monitoring: Does the company conduct surveys of the environmental performance of its suppliers?
- Resource Reduction/ Implementation: Does the company have an environmental management team? Does the company train its employees on environmental issues?
- Resource Reduction/ Environmental Supply Chain Management: Does the company use environmental criteria (ISO 14000, energy consumption, etc.) in the selection process of its suppliers or sourcing partners? Does the company report or show to be ready to end a partnership with a sourcing partner, if environmental criteria are not met? Does the company have a policy to include its supply chain in the company's efforts to lessen its overall environmental impact?
- Resource Reduction/ Energy Efficiency Initiatives: does the company make use of renewable energy?
- Emission Reduction/ Environmental Partnerships: does the company report on partnerships or initiatives with specialized NGOs, industry organizations, governmental or supra-governmental organizations, which are focused on improving environmental issues?
- Resource Reduction/ Implementation (outcome): does the company claim to have an ISO 14000 or EMS certification? Percentage of company sites or subsidiaries that are certified with any environmental management system.

- Emission Reduction/ Environmental Management Systems: percentage of company sites or subsidiaries that are certified with any environmental management system.
- Product Innovation/ Environmental R&D Expenditures: Total amount of environmental R&D costs (without clean up and remediation costs) divided by net sales.

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

Yes

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.
-----------------------	---

Risks and opportunities' timescales are systematically assessed through the dialogue with companies.

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
-----------------------	---

Yes

No

	Explain the rationale
--	-----------------------

Support to the TCFD is currently under consideration (in 2019).

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
------------------------	---

Yes

No

SG 01.11 CC	Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.
------------------------	---

In 2019, one of our engagement themes relates to the climate change. The following topics will systematically be addressed (including the time frame).

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
-----------------------	---

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

New selection options have been added to this indicator. Please review your prefilled responses carefully.

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

- Policy setting out your overall approach

	URL/Attachment
--	----------------

- URL

	URL
--	-----

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

- Attachment (will be made public)
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Screening / exclusions policy

	URL/Attachment
--	----------------

- URL

	URL
--	-----

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

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

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

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

	URL/Attachment
--	----------------

- URL

	URL
--	-----

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

- Attachment
- Time horizon of your investment
- ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:http://www.metropolegestion.com/England/about/of/sri-approach-4}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:http://www.metropolegestion.com/England/about/of/engagement-policy-101}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:http://www.metropolegestion.com/England/about/of/sri-approach-4}

Attachment

We do not publicly disclose any investment policy components

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
----------	-----------	--------	-------------	---------

SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
-----------------------	---

Board members or trustees

Oversight/accountability for climate-related issues

Assessment and management of climate-related issues

No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

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

Portfolio managers

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

Investment analysts

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

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
--------------	------------------	---------------	--------------------	--------------

SG 13.1 Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
--------------	--	---------------	----------------------------	--------------

SG 14.1 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2 Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.4 If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

Emission risks are evaluated internally, based on our own tools.

SG 14 CC	Voluntary	Public	General
SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.		

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Weighted average carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Portfolio carbon footprint	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Total carbon emissions	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			

SG 14.7 CC	Describe in further detail the key targets.
-----------------------	---

Targettype	Time Frame	Description	Attachments
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

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

- Process for climate-related risks is integrated into overall risk management

	Please describe
--	-----------------

Climate risk indicators are integrated into our ESG framework, which is comprised of 150 indicators.

- Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
-----------------------	--

- Yes
- No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
--------------	--	---------------	--------------------	--------------

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

- Yes
- No