



CLIMATE TRANSPARENCY REPORT 2020

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 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020-DDC1C73A-F175-491F-B832-8F48043D86C4/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). 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 2020 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 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	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	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	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	93% 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
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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.
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SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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Yes

	Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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As a stock picker asset manager, METROPOLE Gestion identifies climate related risks and opportunities for every company held in the portfolios. 35 indicators out of 150, i.e. over 20% of the indicators we monitor in our ESG framework are climate change risks and opportunities criteria and are distributed among the 4 analytical pillars.

They are broken down into the following themes:

- Physical risks induced by climate change
- Risks induced by transition to a low-carbon economy
- Benefits of favouring a low-carbon economy
- Compatibility with the 2°C pledge
- Consequences of climate change and of extreme weather events
- Changing availability of resources "climatically" compatible with the objectives
- Consistency of investment expenditures with the low-carbon strategy
- Measurement of greenhouse gas emissions

The consideration given to these issues is therefore an integral part of the company rating process and, therefore, of the selection process and the construction of the portfolios.

The 35 indicators are also following the 11 recommended disclosures by the TCFD even if some of the disclosures are not yet aligned with these recommendations. This is the reason why, in addition to incorporating criteria within the ESG ratings, METROPOLE Gestion has adopted a policy of thematic engagement covering climate change risks and opportunities. During dialogue with issuers, we question all companies held in the portfolio about their CO2 strategy and assess the extent to which they comply with the 2°C pledge established during the Paris Climate Agreement. The results of this engagement are detailed in our annual Engagement Report available on our website.

Furthermore, as a signatory of the Carbon Disclosure Project, METROPOLE Gestion has adopted the "Non-Disclosure Campaign", a collective engagement campaign targeting companies not responding to information requests from the CDP. This engagement is designed to improve the transparency of climate change risks and opportunities financial disclosures communicated by companies.

Through its proxy voting policy, METROPOLE Gestion is putting emphasis on the Governance recommendations from the TCFD by prompting companies to implement remuneration correlated with ESG targets and therefore Climate related risks and opportunities disclosures. We are planning in 2020 to collaborate with other investors to place resolutions regarding better climate related risks and opportunities disclosures that we already sustained in 2019 and that we reported in our voting policy reporting available on our website.

Regarding metrics and targets (4th recommendation of the TCFD), two metrics are followed specifically

among others from the past two years and are available on our impact reports on our website: CO2 emissions of the portfolios and the inclusion of extra-financial criteria in executive pay awards.

Regarding sectors, and following two UN Sustainable Development Goals, affordable and clean energy and climate action, METROPOLE gestion exclude from its investment universe, companies that produce and consume coal: mining companies that generate more than 30% of their revenues from coal production and energy producing companies when more than 30% of their production comes from coal.

No

**SG 01.7
CC**

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

Yes

Describe the associated timescales linked to these risks and opportunities.

Risks and opportunities' timescales are systematically assessed through the dialogue with companies in order to comply with regulation in France as we are a french asset management company based in France and as a signatory of the UNPRI, the TCFD, the Montreal Carbon pledge and the CDP.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9
CC**

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

Yes

Describe

As a signatory of the TCFD, METROPOLE Gestion has started to implement the 4 recommendations of the TCFD in the analysis of each company METROPOLE Gestion owns in its portfolios.

We approach this implementation in two ways depending on the current disclosures from the companies we invest in (some recommended disclosure as the "resilience of the strategy" or the "integration into overall risk management" have still a very low percentage of disclosure). In the case we get a clear and transparent disclosure, it is part of our ESG rating and of our climate scoring. In the case disclosures are not existing or are still in their infancy, we engage with companies through our proxy voting, through direct dialogue, through thematic engagement (this year the theme has been the reduction of CO2 emissions policies and the alignment of companies towards the Paris agreement) and finally we've been part this year of the the "Non disclosure Campaign" led by the CDP.

In 2020, we will implement a complete framework of climate scoring following the TCFD disclosures recommendations for all our investments.

No

**SG 1.10
CC**

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

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

Governance and human resources

SG 07 CC

Mandatory to Report Voluntary to Disclose

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

Other Chief-level staff or heads of departments

- 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

**SG 07.6
CC**

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

Climate related risks and opportunities have been taken into account quite early as Metropole Gestion is an asset manager based in France and is subject to the implementation of the French Law voted in 2015. In 2015, France decided to introduce an innovative extra-financial reporting system. Article 173-VI of the law of 17 August 2015 on Energy Transition for Green Growth includes greater transparency obligations for investors regarding the consideration of criteria relating to compliance with environmental, social and governance quality (ESG) objectives in their investment strategies, that specifically include taking climate risks into account within these obligations and the means implemented to contribute to the Energy and Ecological Transition.

Therefore, an annual report is available on our website for the Company and for most of our equity funds.

We also became signatory of the TCFD in 2019 and started to build a climate score for each equity fund that is going to be improved in 2020 following the TCFD recommendations as companies will improve their climate risks and opportunities disclosures under the TCFD framework.

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.3

Additional information. [OPTIONAL]

At this stage we do not carry out scenario analysis models even if as a signatory of the TCFD we are following the 11 recommendations of the TCFD and specifically regarding scenario analysis. Nevertheless, companies are not yet disclosing this kind of analysis in a large majority. Our engagement try to prompt companies to do so and we will apply this kind of calculation in our portfolios as companies will improve their disclosures.

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 CC	Voluntary	Public		General
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**SG 14.6
CC**

Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<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 checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Inform investment decisions and monitoring	Tonnes of CO2 per Million euro revenue	This metric comes from the companies disclosures and is shared with clients on a monthly base. The change is explained in our impact report published annually on our website
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Inform investment decisions and monitoring	Tonnes of CO2 per Million euro revenue	This metric comes from the companies disclosures and is shared with clients on a monthly base. The change is explained in our impact report published annually on our website
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Inform investment decisions and monitoring	CO2 emissions by Million euro invested	This metric is calculated on a monthly basis but not disclosed in our monthly reports. We disclose it on any demand from investors
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Inform investment decisions and monitoring	Tonnes of CO2	Not disclosed but available on demand
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Inform investment decisions and monitoring	Tonnes of CO2 emissions by Million euro revenue	Published monthly on our public reporting to clients and changes explained annually in our impact report available on our website

SG 14.7
CC

Describe in further detail the key targets.

Targettype	Baseline year	Target year	Description	Attachments
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2016	2030	As we practice an active engagement with companies, we aim to prompt them to improve their targets by 2030 respecting the Paris agreement	
<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 risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management

Please describe

Climate risk indicators are integrated into our ESG framework, which is representing 35 indicators out of 150. Those 35 indicators allows us to measure a climate score and risk management processes are included in a few indicators. This climate score will be further improved in 2020 following the 11 recommendations of the TCFD especially regarding risk management as companies improved their disclosures on those topics.

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

**SG 14.9
CC**

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

- Yes

Please describe

We started in 2019 a collaborative engagement with the CDP, the "Non Disclosure Campaign" in order to prompt companies to disclose their climate related risks and opportunities or to improve it. We report on this engagement in our engagement report available on our website.

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

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No