



**RESPONSIBLE INVESTOR CHARTER**

**COMMITTING WITH YOU FOR SUSTAINABLE GROWTH**

## **INTRODUCTION**

FFP'S ambition is to contribute, in its capacity as a minority investor and long-term responsible shareholder, to the value creation of its investments by integrating economic development, social progress and controlling their environmental impact.

The mission statement, values and engagements laid out in this charter constitute the Terms of Reference within which we operate as investors and to which we adhere on a daily basis in compliance with the current regulatory framework and best practice in relation to governance and professional ethics.

FFP considers that it cannot disregard any future « external costs» that its investment strategy might impose on the community and its stakeholders. FFP is convinced that the incorporation of Environmental, Social and Governance (hereafter« ESG ») factors [*within its investment criteria*] represents a source of opportunities, and a vehicle for the efficient performance of both its direct and indirect investments.

The ESG abbreviation is used by the financial community to describe the 3 pillars – environment, social and governance – used in extra-financial analysis. Analysts and investors incorporate these criteria into their investment selection process by favouring companies with responsible practices toward the environment and its stakeholders.

## **MISSION**

FFP is a listed investment company, whose majority shareholder is Etablissements Peugeot Frères (EPF). FFP's mission is value creation through the development as a long-term minority investor.

Our investment strategy is organised along two lines:

- We are the historical shareholder and one of the majority shareholders of the PSA Group.
- Our other investments reflect our desire to diversify into 4 types of asset: direct shareholdings, co-investments, private equity vehicles and real estate.

## **VALUES**

FFP'S shareholders and employees share the 3 values which define the company's identity and its entrepreneurial culture.

## **Family Values**

The Peugeot family owns almost 80 % of FFP. The family group, in business since 1810, was behind the creation of the PSA Group. Family values are part of our DNA. In this context, our investment decisions are based on the common values and rules of governance that we share with our investee companies.

## **Industrial and entrepreneurial experience**

For more than 200 years, the Peugeot family has been developing the industrial wealth created by its founding ancestors. This valuable « industrial memory» is a precious asset which allows FFP to better understand the economic and strategic issues facing its investee companies and to establish a constructive dialogue with the management teams and shareholders. In keeping with its long history, FFP is committed to supporting entrepreneurial projects by positioning itself as an active partner over time.

## **A professional financial investor**

FFP applies its experience and its financial and technical capabilities to the management of its asset portfolio. Rigorous selection of its investee companies, thorough risk analysis and an ongoing investment strategy allow FFP to make the right decisions and to create long term value for its stakeholders.

## **GOVERNANCE**

FFP and its controlling shareholder, Etablissements Peugeot Frères (EPF), are committed to implementing exemplary governance in terms of transparency, independence, the establishment of governing bodies and ethical practice in the conduct of its business affairs.

FFP and Etablissements Peugeot Frères (EPF) are companies having a board of directors, with specialised committees. These committees prepare the work of the Board by drawing up recommendations, before the Board's formal decision.

The FFP Board is composed of 3 committees: the Governance, Appointments and Remunerations Committee, the Finance and Audit Committee, and the Investments and Participations Committee. The Investments and Participations Committee expresses an opinion on the investment and exit files put forward by FFP senior management, before formal approval by the Board.

The Etablissements Peugeot Frères (EPF) Board is composed of 2 committees: the Ethics, Governance and Appointments Committee and the Audit Committee.

FFP effectively adheres to the AFEP-MEDEF Code of Corporate Governance, and, notably, complies with the proportion of independent directors, beyond the level recommended under the AFEP-MEDEF Code. Proper observance of these codes and good governance structures plays a central role in FFP's strategic decision-making. Within this context, the company is committed to applying best practices.

## **OUR COMMITMENTS AS AN INVESTOR**

FFP is committed to act responsibly in its long-term financing of the economy and to progressively integrate the Environment, Social and Governance (ESG) criteria across all asset classes.

### **Application of exclusion principles**

FFP does not invest either directly or via funds in « sensitive » sectors or in companies involved in controversial activities, such as gambling, pornography or tobacco.

### **Supporting our investments over time**

FFP's commitment to the long term makes us a specific investor. Every investment decision is taken with a long-term approach, with no constraints in terms of portfolio turnover. Our investment policy is far from speculative – to date our average portfolio shareholding has been for 8 years. Our dialogue with management teams, our support to facilitate new acquisitions and industrial investments, for innovation ... all attest to our commitment over time with the aim to develop each investee company's potential to generate value.

### **Incorporate ESG criteria in the investment lifecycle**

For each investment project, the specific ESG factors are analysed by our teams. This data is used in the same way as financial data to inform the investment decision-making process and to reduce extra-financial risk.

#### ***Direct investments***

FFP will ensure that all international and domestic legislation is complied with. FFP will also check that companies will identify and incorporate ESG issues into handling risk management. ESG due diligence is carried out on a case by case basis, in accordance with the company's risk profile.

#### ***Indirect investments***

As part of the commitments it makes in Private Equity funds, FFP incorporates ESG criteria into the analytical process and the monitoring of funds.

- Due diligence phase: an ESG questionnaire is sent to those fund managers applying best market practice.
- At the *closing*, when subscribing to a fund, FFP includes a specific ESG clause in the legal documentation
- During the fund's lifetime, FFP encourages its partner fund managers to incorporate ESG criteria into their business and the portfolio companies.

FFP has also subscribed to funds which favour sustainable investments and *impact investing*.

## **OUR COMMITMENTS AS A SHAREHOLDER**

### **Promoting responsible governance**

FFP sits on the Board of Directors or the Supervisory Board of its investee companies and plays an active role in the workings of the boards and committees.

FFP considers that responsible, committed governance is based on strict guidelines which puts in place the required checks and balances in a transparent and balanced way. An analysis of the quality of governance is at the heart of all our investment decision-making.

Where we believe there to be a breach of the ethical principles which guide our investment choices, we will take action within the governing bodies and initiate discussions with the management teams. FFP is convinced that exemplary governance contributes to a company's performance and to risk management.

### **Our commitment to our investee companies**

Part of our role as a long-term investor is to provide support to companies when they encounter difficulties. FFP provides constant active support and shares the risk with its shareholdings. We are therefore committed to supporting companies when required/allowed by economic or financial circumstances.

### **Contributing to a positive economy**

It is also our aim to contribute to financing the economy through our investment strategy. We are committed to stimulate the growth of both our direct and indirect investments in order to support the creation of jobs in France and overseas.