

Socially responsible investment at Crédit Lyonnais Asset Management

- Our specific approach
- An extension of CLAM 's financial expertise
- An organisation and investment process tailored for financial performance
- A source of added value
- Being a responsible investor

CLAM'S SPECIFIC APPROACH

Our Experience

✦ CLAM, a pioneer in socially responsible investment (SRI)

- ✦ 1989 : Hymnos ethical fund,
- ✦ 1991-94 : 3 humanitarian funds,
- ✦ End 2000: CLAM Euro Développement Durable (sustainability fund),
- ✦ End 2002: Dynalion Développement Durable.

✦ A strategic choice

- ✦ End 2000 : establishment of a dedicated research team.

✦ Accelerating developments in 2002

- ✦ A doubling of our SRI assets under management,
- ✦ Certification by the Comité Intersyndicale de l'Épargne Salariale or CIES,
- ✦ CLAM selected to manage SRI employee savings plans for UNAPL,
- ✦ CLAM's own employee savings plan offers CIES certified funds.

CLAM'S SPECIFIC APPROACH

Philosophy & Objective

✦ Our philosophy

✦ Over the long term a company's performance depends on the capacity of its managers to simultaneously manage :

- economic & financial capital,
- human capital,
- environmental capital.

✦ Our objective

✦ Anticipate and invest in companies en route to delivering **sustainable growth**.

AN EXTENSION OF OUR FINANCIAL EXPERTISE

✦ The choice of **active fund management**:

- ✦ A focus on stock-picking.

✦ A more **global view** of the company:

- ✦ Taking account of the company's relationships with all stakeholders,
- ✦ Detecting risks and opportunities.

✦ Means committed to SRI and located at the **heart of the investment teams**:

- ✦ A dedicated research team,
- ✦ A specialist fund manager.

AN INVESTMENT PROCESS TAILORED FOR FINANCIAL PERFORMANCE



A common set of portfolio construction rules:

- ✦ SRI geographic & sector allocations follow CLAM's global investment strategy,
- ✦ The same **risk control methods** are common to all portfolios.



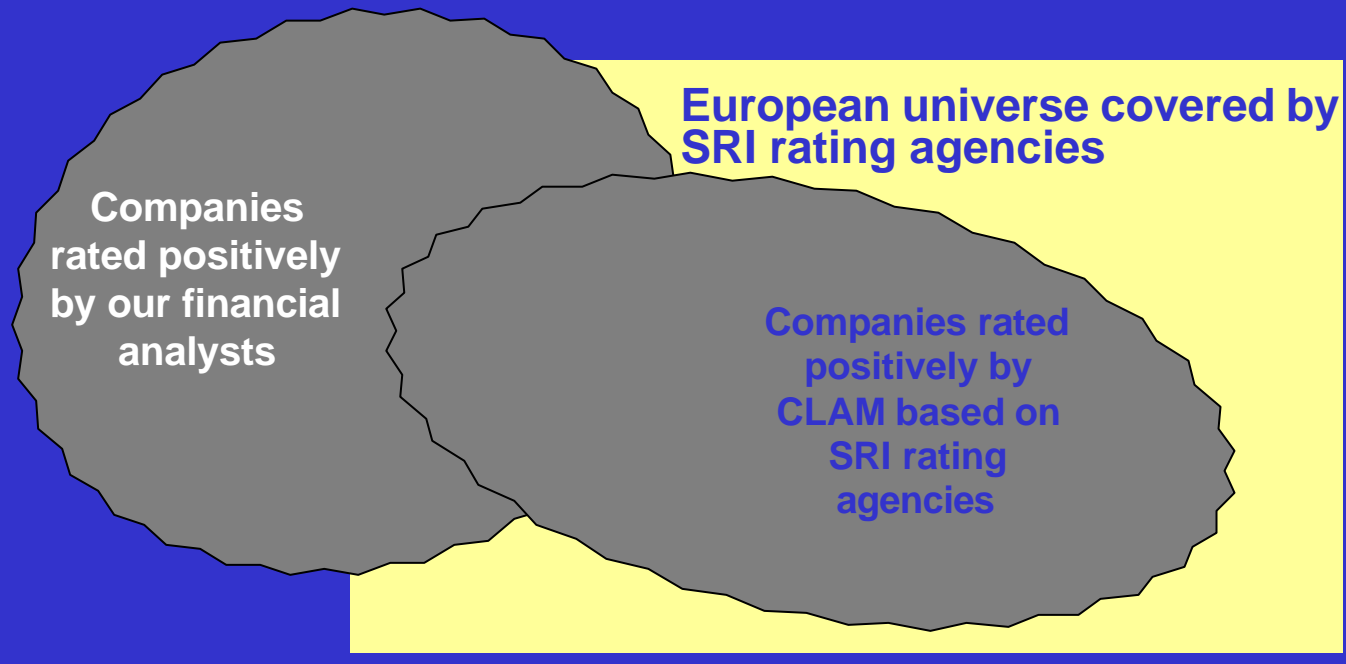
A rigorous SRI methodology:

- ✦ Built on the traditional **financial analysis model**,
- ✦ Integrating both **internal** and **external sources** of expertise,
- ✦ Evaluating **simultaneously financial, social & environmental criteria**,
- ✦ Conducted by two **SRI analysts**.

AN INVESTMENT PROCESS TAILORED FOR FINANCIAL PERFORMANCE

1st stage : overlay of the two investment universes

European investment universe followed by our fund managers & financial analysts



AN INVESTMENT PROCESS TAILORED FOR FINANCIAL PERFORMANCE

✍ 2nd stage : cross-analysis of contradictory cases

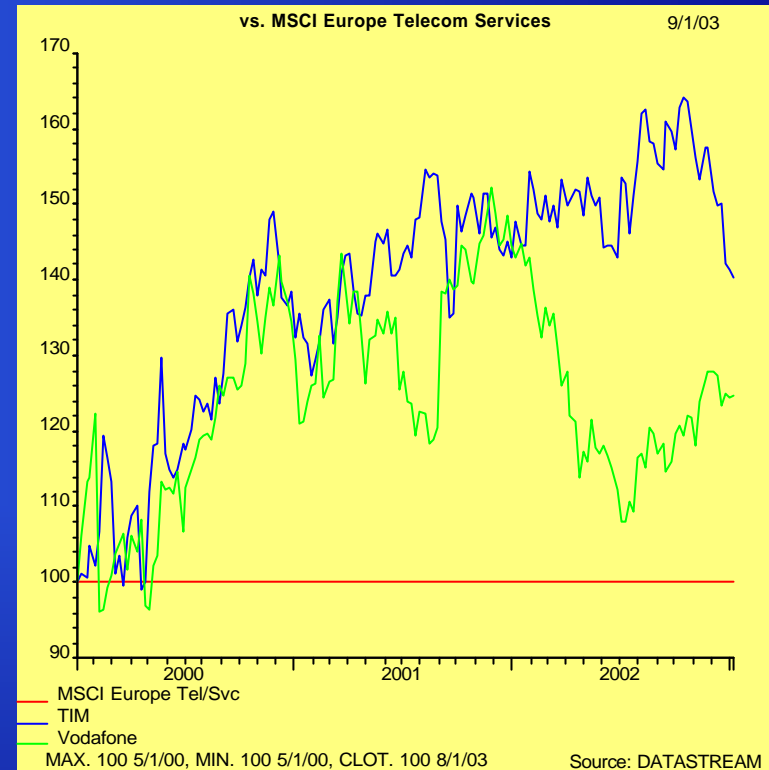
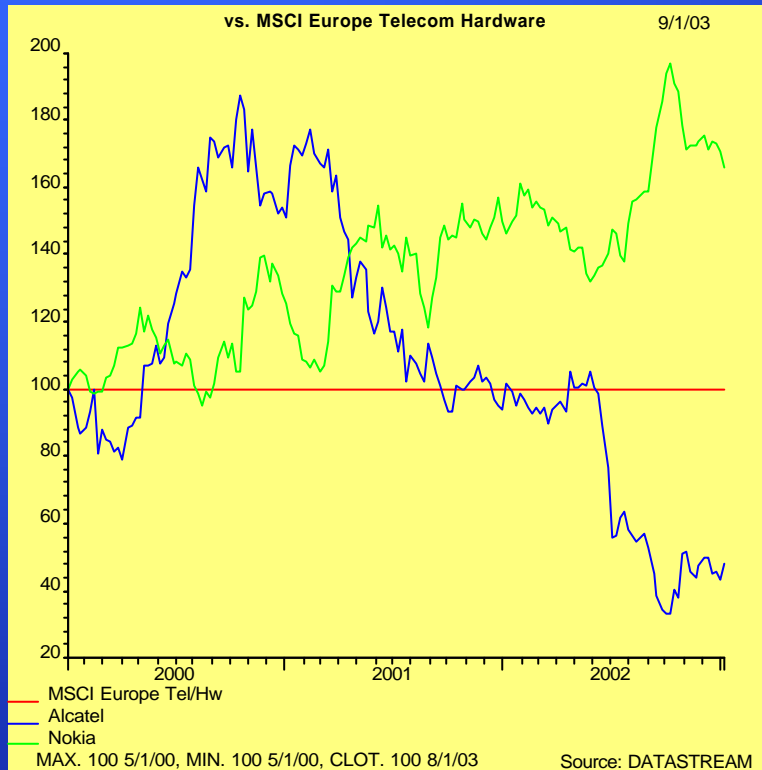
- ✍ SRI research team prioritises companies which are highly rated according to either approach,

- ✍ Selected companies become the focus of an in-depth study.

✍ 3rd stage: portfolio construction

- ✍ Close collaboration with the specialist fund manager.

A SOURCE OF ADDED VALUE



✍ Detecting risks and opportunities :

✍ NOKIA / ALCATEL

✍ VODAFONE / TIM

CONCLUSION

Being a responsible fund manager

- ✍ Extending our **dialogue** with companies.
- ✍ Accompanying companies engaged in **progress towards sustainability**.
- ✍ Exercising our **responsibility** as a representative for shareholders:
 - ✍ voting our proxies world-wide.