

# Lhyfe



**Lhyfe**

has been awarded a 2024 EthiFinance certificate

**Platinum**

to reward its 2023 ESG Performance



ISIN FR0014009YQ1

Macro-sector Industry

## General information about Lhyfe

Macro-sector Industry

Sector Utilities

Sub-sector Utilities

## About us

### EthiFinance

Founded in 2004, EthiFinance is an innovative European rating, research and advisory group serving sustainable finance and sustainable development. The Group provides investors, companies and organizations with solutions to the challenges of financing as well as environmental and societal transformation.

### Contact

reporting-esgratings@ethifinance.com

## Our methodology

We assess companies according to a framework of approximately 140 criteria divided into 4 pillars: Environment, Social, Governance and External Stakeholders (ESG-ES). We update our rating framework annually depending on the results of previous years and emerging ESG risks (new criteria, level of detailed information by answer, rating algorithms, etc.).

The evaluation process is as follows:

1. Collection of public ESG information for the past 3 years
2. Data quality control
3. Dialogue with the company to complete and clarify the data collected
4. Checking the consistency and homogenisation of data
5. Calculation of scores and publication of data

The overall ESG score takes account of a malus associated with any controversies linked to the company ESG practices:

- *No controversy identified*: the overall score is unchanged
- *Low exposure*: 3-point malus
- *Significant exposure*: 8-point malus
- *High exposure*: 15-point malus
- *Critical exposure*: 20-point malus

## ESG Scorecard

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### Overall score over 3 years

Year	ESG rating
2023	86
2022	78
2021	69

The table shows the ESG score under the EthiFinance ESG Ratings 2024 framework for the past three years. The scores range from 0 to 100, 100 being the highest score.

The table on the next page highlights the details of the scores by pillar (ESG-ES) and sub-pillar. The benchmark used includes all companies in the Utilities sector rated during the 2024 EthiFinance ESG Update, i.e. 73 companies.

Red means that the company is underperforming the benchmark. Conversely, green indicates that the company is outperforming. Yellow means that the company's rating is similar to that of the benchmark.

EthiFinance ESG Ratings has not identified any significant controversies for Lhyfe.


The company's controversies can be consulted on request.

Rating	2021	2022	2023	Trend 2022-2023	Benchmark
<b>GOVERNANCE</b>	52	68	<b>77</b>	↗	68
Dilution risk for minority shareholders	83	67	<b>67</b>	=	81
Composition of governance bodies	78	67	<b>72</b>	↗	65
Operation of governance bodies	79	92	<b>92</b>	=	80
Remuneration of officers and directors	67	83	<b>100</b>	↗	63
Business ethics	13	30	<b>50</b>	↗	62
CSR policy and non-financial issues	20	71	<b>79</b>	↗	68
<b>SOCIAL</b>	81	86	<b>85</b>	↘	49
Social characteristics and policy	88	100	<b>100</b>	=	53
Working conditions	88	75	<b>75</b>	=	49
Skills development	100	100	<b>100</b>	=	41
Equal opportunities	38	67	<b>75</b>	↗	57
Health and safety	90	90	<b>80</b>	↘	45
<b>ENVIRONMENT</b>	92	92	<b>96</b>	↗	68
Environmental policy and management system	100	100	<b>100</b>	=	68
Energy and Greenhouse Gases	78	78	<b>89</b>	↗	72
Water management	100	100	<b>100</b>	=	51
Waste management	100	100	<b>100</b>	=	59
Biodiversity	100	100	<b>100</b>	=	37
<b>EXTERNAL STAKEHOLDERS</b>	37	54	<b>97</b>	↗	65
Relationship with suppliers	33	0	<b>100</b>	↗	60
Relationship with suppliers, customers, civil society and product responsibility	25	75	<b>88</b>	↗	52
Cybersecurity	50	100	<b>100</b>	=	80
Rating	69	78	<b>86</b>	↗	59

## Colour Code for Benchmark

 the company is outperforming the benchmark

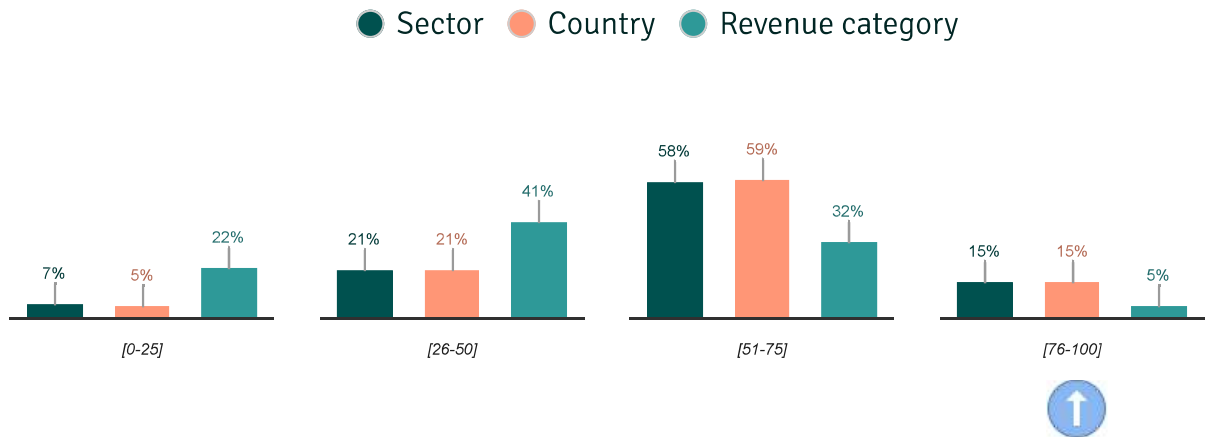
 the company's rating is similar to that of the benchmark

 the company is underperforming the benchmark

## Positioning of the company in comparison with its peers

The graph below highlights the distribution of EthiFinance ESG ratings according to Lhyfe's sector, country and revenue category. The arrow points to the company's ESG performance.

### Distribution of ESG ratings



## Ranking of Lhyfe

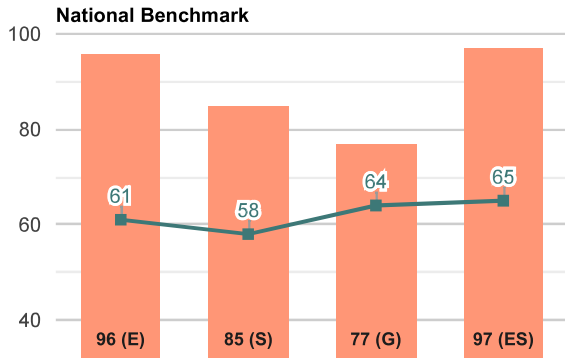
Country ranking  
7/360

Sector ranking  
1/73

Revenue ranking  
2/560

## Benchmarks

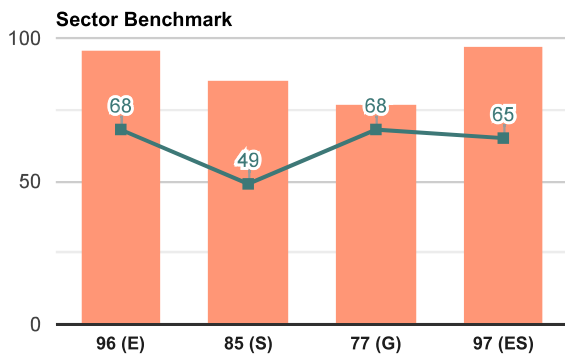
The graphs below show how Lhyfe (in blue) performs against its peers (in orange) from a country, sector and revenue category perspective.



### National benchmark

Lhyfe is benchmarked against **360 companies** based in **France**.

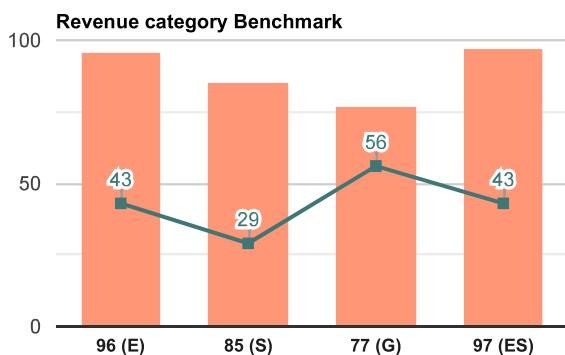
The overall average of the national benchmark is **60/100**.



### Sector benchmark

Lhyfe is benchmarked against **73 companies** within the **Utilities sector**.

The overall average of the sector benchmark is **59/100**.



### Revenue benchmark

EthiFinance ESG Ratings distinguishes three revenue categories:

- <150 million €
- >150 Million €
- >500 Million €

Lhyfe is benchmarked against **560 companies** with an annual revenue of **<150 million €**.

The overall average benchmark by revenue category is **43/100**.



## Focus on key indicators

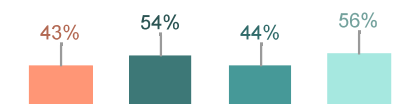
In order to compare the company's performance with its peers, EthiFinance ESG Ratings provides a focus on several key indicators, in each of the four E-S-G-ES pillar. The benchmark is provided against peers within the same country, sector and revenue category as Lhyfe.

### Governance

● Company ● Sector ● Country ● Revenue category

#### Percentage of independent Directors on the Board

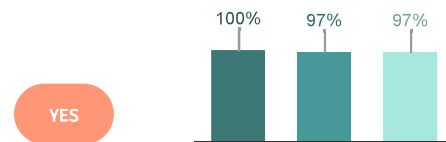
*The independence of the Board of Directors aims at ensuring a diversity of interests in corporate governance. The independent Director is generally a professional who has no personal or financial interest in the structure: the company then benefits from this outside perspective for strategic decision making.*



Lhyfe has 43% of independent directors. The average is 54% in its sector, 44% in France, and 56% in its revenue category.

#### Presentation of the CSR strategy to the Board

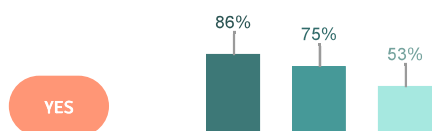
*This indicator highlights the companies that present their CSR (Corporate Social Responsibility) approach to their Board of Directors. This enables to assess the level of support for CSR issues in companies.*



Lhyfe presents its CSR strategy to the Board, against 100% of the companies in its sector, 97% in France, and 97% in its revenue category.

#### Formalization of a business conduct and anti-corruption policy

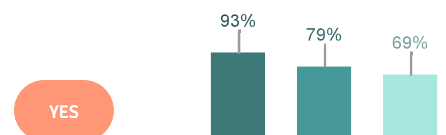
*Business ethics help to ensure confidence in the market and thus guarantee its good functioning. Corruption and anti-competitive practices are closely regulated and mismanagement of these risks can result in significant fines and financial penalties.*



Lhyfe has formalized a business conduct and anti-corruption policy, against 86% of the companies in its sector, 75% in France, and 53% in its revenue category.

#### Existence of a whistleblowing system

*A whistleblowing system is a mechanism available to a company's internal and sometimes external stakeholders to report violations of laws and regulations, as well as any actions or any other breaches of the company's code of conduct, ethical principles, etc.*



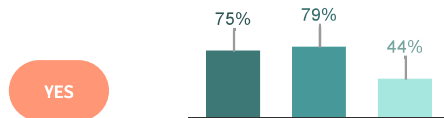
Lhyfe has implemented an alert system, against 93% of the companies in its sector, 79% in France, and 69% in its revenue category.

## Environment

● Company ● Sector ● Country ● Revenue category

### Formalization of an environmental policy

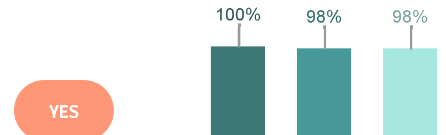
The formalization of an environmental policy shows that the company has identified material environmental issues for its sector of activity. It is a starting point to define an action plan on these issues. Companies can go further by adding quantified objectives to the policy.



Lhyfe has formalized an environmental policy, against 75% of the companies in its sector, 79% in France, and 44% in its revenue category.

### Measures to save energy and reduce greenhouse gas emissions

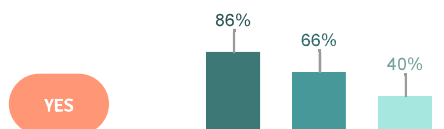
Beyond the protection of the environment, energy savings and the use of renewable energies have become real opportunities for companies to reduce their operating costs.



Lhyfe has an action plan to save energy and reduce GHG emissions, against 100% of the companies in its sector, 98% in France, and 98% in its revenue category.

### Disclosure of Scope 3 greenhouse gas emissions

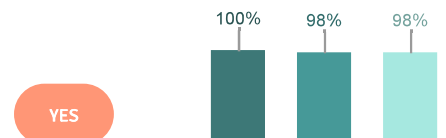
While reporting on scopes 1 and scope 2 is now common practice, this is not the case for scope 3 yet. This is why we believe that a company communicating its scope 3 shows a desire for transparency and will to reduce its carbon footprint throughout its value chain.



Lhyfe publishes its GHG emissions for scope 3, against 86% of the companies in its sector, 66% in France, and 40% in its revenue category.

### Existence of a waste management plan

This indicator rewards companies that have implemented an action to reduce their waste production. It shows its commitment to tackle waste-related issues.



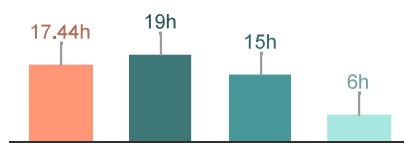
Lhyfe has defined a waste management plan, against 100% of the companies in its sector, 98% in France, and 98% in its revenue category.

## Social

● Company ● Sector ● Country ● Revenue category

### Average number of training hours per employee

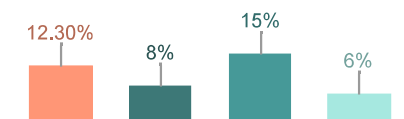
*Training, considered as an investment in human capital, is one of the axes of a company's strategy. A structured skills development plan enables a match between the company's skills needs and the actual skills of employees. It is one of the company's responsibilities to maintain a high level of employee skills.*



In average, employees of Lhyfe have been trained 17.44 hours in 2023.  
The average is 19 hours in its sector, 15 hours in France, and 6 hours in its revenue category.

### Turnover rate of permanent employees

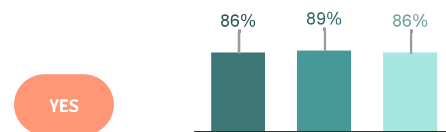
*In order to assess the attractiveness of the company and its ability to retain talent, it is interesting to evaluate the proportion of voluntary departures compared to the total number of departures.*



In average, the departure rate of the employees of Lhyfe is 12.30%.  
The average is 8% in its sector, 15% in France, and 6% in its revenue category.

### Existence of a Human Resources Department

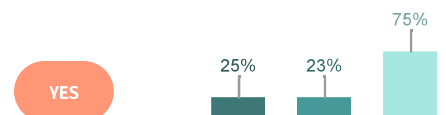
*The Human Resources Department has both technical, strategic and operational functions, and plays an essential role in supporting employees and managers. It is an important marker of the company's social policy.*



Lhyfe has a Human Resources Department, like 86% of the companies in its sector, 89% in France, and 86% in its revenue category.

### Commitment to the promotion of social dialogue

*This indicator aims at determining whether the company is explicitly committed to promoting social dialogue. According to the International Labour Organization (ILO), social dialogue includes all forms of negotiation, consultation and exchange of information between representatives of governments, employers and workers on matters of common interest related to economic and social policy.*



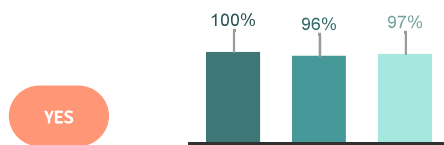
Lhyfe is committed to promotion of social dialogue, against 25% of the companies in its sector, 23% in France, and 75% in its revenue category.

## External Stakeholders

● Company ● Sector ● Country ● Revenue category

### Integration of social criteria in purchasing/subcontracting practices

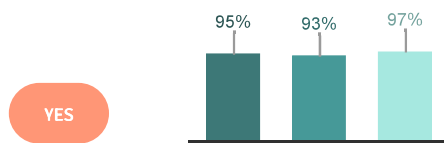
Companies are increasingly integrating their social responsibility approach into their relationships with their suppliers and subcontractors. Therefore, groups tend to establish "responsible purchasing charters" defining product selection criteria and "supplier charters" which require suppliers and subcontractors to make commitments and abide by a certain number of social standards and legislation (e.g. fundamental ILO conventions).



Lhyfe integrates social criteria in its purchasing/subcontracting practices, against 100% of the companies in its sector, 96% in France, and 97% in its revenue category.

### Customer satisfaction surveys

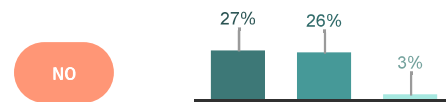
The attention given to customer satisfaction is a key issue for the sustainability of the company. The level of customer satisfaction and the quality of services determine the perceived value of products and services sold. Conducting customer satisfaction surveys suggests a willingness to market products or services in line with customer expectations.



Lhyfe conducts customer satisfaction surveys, against 95% of the companies in its sector, 93% in France, and 97% in its revenue category.

### Publication of a due diligence on the management of human rights and the environment in the supply chain

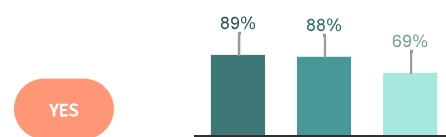
The company has developed, implemented and published a due diligence plan containing measures to identify risks and prevent serious violations of human rights and fundamental freedoms, the health and safety of individuals and the environment, resulting from the activities of the company, its subsidiaries or its subcontractors or suppliers with whom it has an established business relationship.



Lhyfe does not publish a due diligence plan relating to the respect of human and environmental rights in its supply chain, against 27% of the companies in its sector, 26% in France and 3% in its revenue category.

### IT risks are reported to the governance bodies at least once a year

This indicator aims at determining whether cybersecurity issues are considered significant by the company, and the associated risks managed by the governance bodies. In order to counter the threat of cyber-attacks, strategies must be put in place. The first step is to identify these risks in order to counter them.



Lhyfe presents IT risks to its governance bodies, against 89% of the companies in its sector, 88% in France, and 69% in its revenue category.

## Business Activities Screening

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Many investors use EthiFinance's Business Activities Screening for specific investment strategies, e.g. exclusion, negative or ethical screening that leads to excluding specific companies from their investments.

Lhyfe is not involved in any of the following activities covered by EthiFinance in its Business Activities Screening: controversial arms, chemical production (especially pesticides), fossil fuels, alcohol, tobacco and gambling. It should be noted that the first three activities mentioned are mandatory indicators (RTS) of the Sustainable Finance Disclosure Regulation (SFDR).