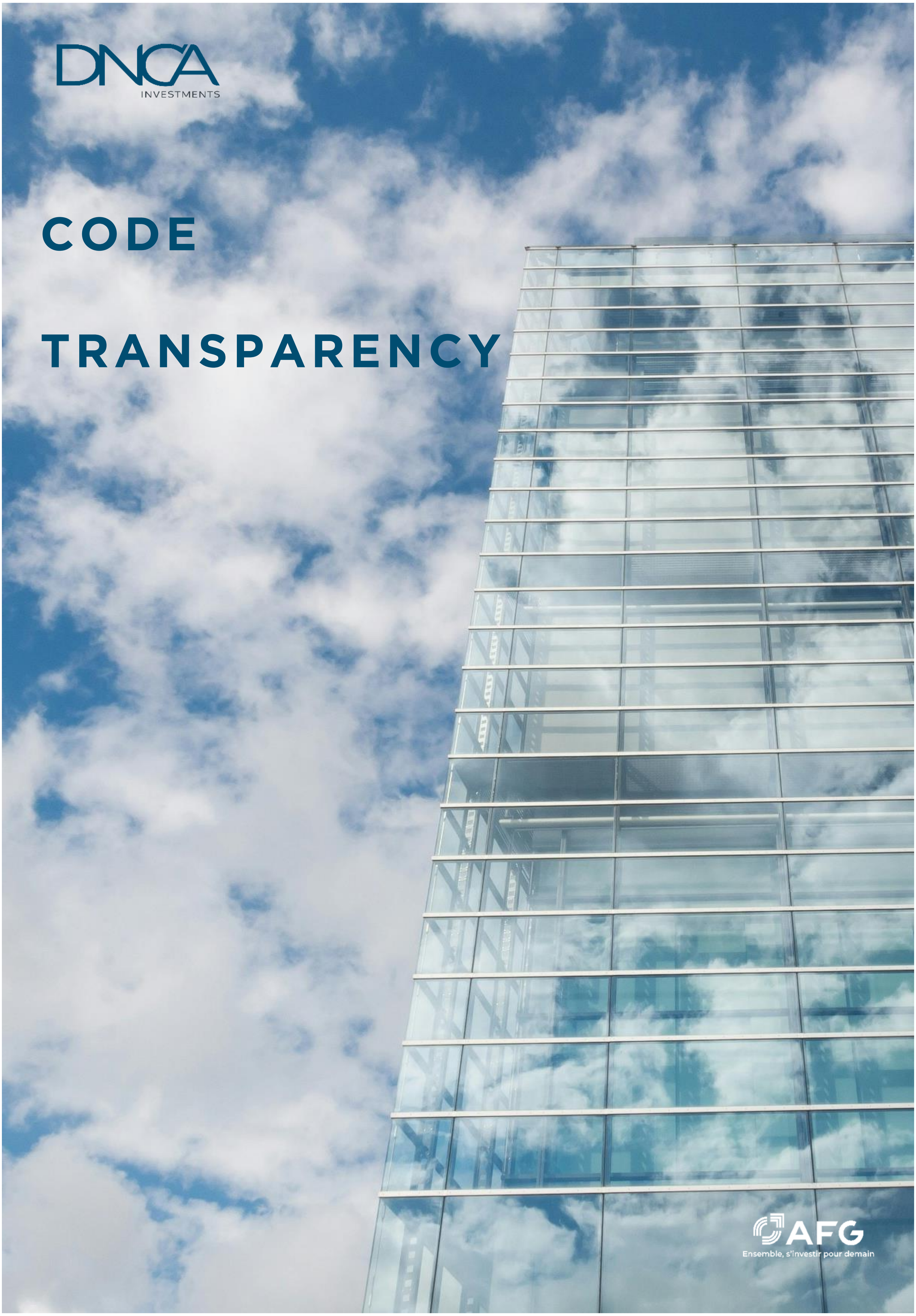
APRIL 2024

DNCA INVESTMENTS

CODE TRANSPARENCY



AFG
Ensemble, s'investir pour demain

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OUR APPROACH

I. OUR APPROACH

A. Our approach

DNCA Finance's Responsible Investment approach is in line with the group's founding values. Since its creation, DNCA Finance has offered asset management that serves people and their assets. The ever-changing and complex economic and financial environment no longer allows passive savings solutions. This is why DNCA Finance offers portfolios that reflect the convictions of its managers and their in-depth knowledge of companies, issuers and their environment.

The DNCA Finance teams share the same ambition: to develop products managed with an approach that combines anticipation and pragmatism. Expertise, rigour and a sense of responsibility have enabled DNCA Finance to become one of the leading players in the European equity management market.

DNCA Finance has always developed a human and committed management style, characterised by an open-mindedness that enables it to initiate new ways of responding to the challenges of tomorrow. DNCA Finance has gradually extended its fundamental analysis to include social, environmental and governance criteria.

DNCA Finance's general approach is detailed in its Responsible Investor Policy published on the DNCA Finance website.

1. Initiatives supported

In 2017, DNCA Finance signed the United Nations Principles for Responsible Investment (UNPRI) to provide a structuring framework for the approach and participate in market debates as an active long-term investor.

Our aim is to take part in all initiatives and events in the marketplace that help to disseminate responsible investment in an appropriate way (to the general public, institutions and companies) and to contribute to regulatory issues (in particular by consulting public authorities). We also want to help academic research on these issues to evolve, and any positive action in this direction will be supported.

DNCA Finance also pays particular attention to the French SRI and Greenfin state labels, as well as the Belgian "Towards Sustainability" label issued by FebelFin in their current form, and intends to participate in their development.

In addition, as a member of the AFG's Responsible Investment Commission, DNCA Finance actively supports the association's initiatives to develop responsible investment and regularly participates in working groups (Biodiversity WG in 2024, SFDR/Taxonomy Information WG in 2023, etc). DNCA Finance also adheres to the AFG-FIR-Eurosif transparency code for SRI funds open to the public.

Initiatives	Joining date	Main tasks
Principles for Responsible Investments	2017	• To help investors incorporate environmental, social and corporate governance considerations into investment decision-making and asset practices, thereby improving long-term returns for beneficiaries.
Carbon Disclosure Project	2018	• Helping companies to disclose their environmental impact • Enabling investors, businesses, cities and national and regional governments to make the right choices today to build a prosperous economy that works for people and the planet in the long term
Climate 100+	2021	• Put pressure on the world's biggest greenhouse gas issuers to ensure they take the necessary measures
TCFD	2021	• Encourage companies and organisations to be transparent about their climate risks, to make investments in these companies safer
AFG / Sustainable Finance Commission	2018	• Publish annual statistics on responsible investment • Promote the SRI Label and work on developing its specifications • Support management companies in applying the SFDR, Taxonomy and Article 29 of the LEC regulations • Revise the guide to developing a coal strategy • Launch working groups on themes such as biodiversity, non-conventional energies, and impact investment
Net Zero Asset Management Initiative	2023	• As part of this initiative, DNCA Finance has committed to continuing its engagement campaigns to encourage companies to report their climate data and reduce their GHG issuers. The management company must also set itself an interim target of zero emission assets under management. This target will be reviewed every 5 years.
AMF Climate and Sustainable Finance Commission	2022	• Created on 2 July 2019, the AMF's Climate and Sustainable Finance Commission (CCFD) brings together stakeholders about sustainable finance. Its role is to help the AMF carry out its regulatory and supervisory missions on sustainable finance issues.

2. Policies relating to the general approach

i. Engagement & voting policy

DNCA Finance is a member of the AFG, Association Française de Gestion, and has implemented a voting policy at General Meetings in line with the main principles of corporate governance. Each year, a report is published on the exercise of voting rights under this policy.

As a shareholder of conviction, DNCA Finance is also a committed shareholder, in constant dialogue with issuers. The principles of engagement are designed to support companies, improve best practice and ensure transparency on various issues.

ii. Exclusion policy

In accordance with France's engagements under the Ottawa (1997) and Oslo (2008) conventions, DNCA Finance publishes a policy of excluding controversial weapons, which is accompanied by a list of strictly excluded securities available on request.

In accordance with the engagements made as part of its FebelFin certification, DNCA Finance has adopted a policy of sector and normative exclusion for its Beyond SRI range. This notably concerns the tobacco, arms, oil & gas and coal sectors, as well as breaches of the United Nations Global Compact.

In addition, this policy is supported by a mapping of sector exclusions adopted by all labelled funds.

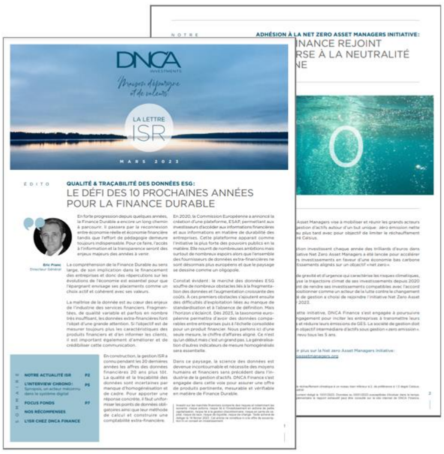
iii. Climate reporting

In accordance with the requirements of article 29 of law no. 2019-1147 of 8 November 2019 and its implementing decree no. 2021-996 published on 27 May 2021, DNCA Finance publishes climate reporting on an annual basis.

3. Promoting and disseminating SRI

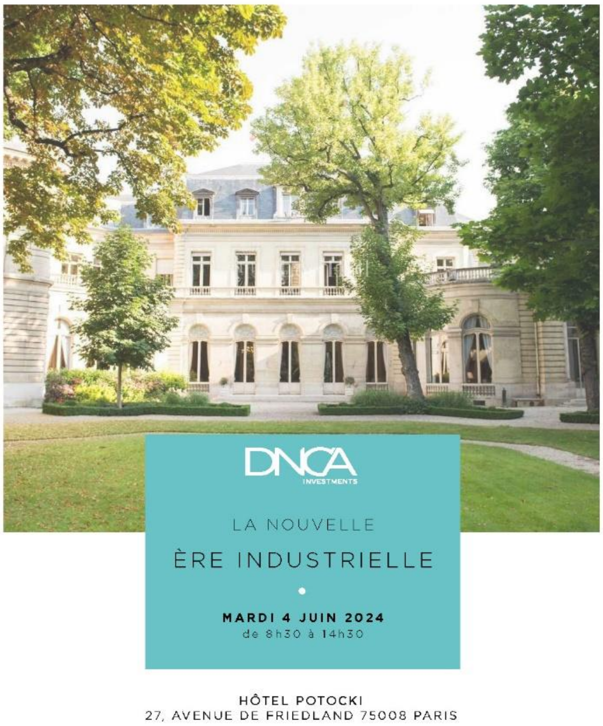
DNCA Finance wishes to share its convictions as a responsible investor with its stakeholders and contribute to collective reflection.

To this end, DNCA Finance participates in articles and interviews published in the specialised press (TV and magazines), and offers an SRI newsletter containing information on investment themes, interviews with experts or company directors, and detailed reporting on the Beyond SRI range.



DNCA Finance also organises conferences and events for its clients and publishes a number of thought-provoking and educational works.

- Climate Club: organised on a half-yearly basis, this event, aimed at DNCA's clients and partners, brings together fund managers and experts to discuss subjects related to climate change (for example: Climate Club on 14/06/2022 on the theme "Metals & Mining: the challenge of the energy transition").
- Beyond Day: organised on a biennial basis, this event, aimed at DNCA's clients and partners, is primarily designed to raise awareness of the major challenges of responsible investment by bringing together experts and players in the field of sustainable development (e.g. Beyond Day on 04/06/2024 on the theme ‘New Industrial Era’).



All our communication initiatives are detailed in the Communication appendix.

4. Communication

DNCA Finance uses a wide range of means to inform its clients about its responsible investment policy and strategy.

Content		Resources	Frequency
Management company policies	Responsible investor policy	DNCA Finance website, Print	Annual
	Sustainability risk management policy	DNCA Finance website, Print	Annual
	Policy for managing negative impacts on sustainability	DNCA Finance website, Print	Annual
	Environmental policy	DNCA Finance website, Print	Annual
	Exclusion policy	DNCA Finance website, Print	Annual
	Voting policy and engagements	DNCA Finance website, Print	Annual
Management company reports	Environmental pressures report (ex-climate trajectory)	DNCA Finance website, Print	Annual

Content		Resources	Frequency
	Voting and engagement report	DNCA Finance website, Print	Annual
Product information	Transparency code	DNCA Finance website, Print	Annual
	Reporting	DNCA Finance website, Print	Monthly and annual
	SRI inventory	DNCA Finance website, Print	Half-yearly
	Positive Contribution Reporting	DNCA Finance website, Print	Annual
	Various marketing documentation	Communication to clients and distribution networks by any means	
Events	Climate Club	Event	Half-yearly
	Beyond Day	Event	Biennial
Press	Newsletter, Interviews	Website, social networks, specialist news channels	Weekly
Publications	Academic work: SRI & Responsible Finance	Book	-
	Educational publications : • "8 keys to understanding SRI • "8 keys to understanding the climate	DNCA Finance website, Livret	-
	• Technical reports on the internal valuation method for issuers (ABA scores)	DNCA Finance website	-

B. Our funds and our responsible investment policy

DNCA Finance's SRI funds are funds of conviction that incorporate a dual approach into their management process: exclusion of stocks at risk of Responsibility and priority selection of players in the Sustainable Transition and/or, to varying degrees depending on the strategy, selection of players in the Sustainable Transition. By taking these issues into account in management, the management objective remains to outperform their benchmark indices over the recommended investment horizon. We are convinced of the added value of ESG criteria in management to generate consistent performance.

In addition to financial performance, the objective of our SRI funds, grouped together in the SRI Beyond range, a range dedicated to responsible and sustainable management, is to make a positive contribution to the challenges of sustainable transition.

In accordance with the Grenelle 2 law, DNCA Finance publishes the list of open-ended funds and specifies the involvement of these funds in ESG analysis.

C. The DNCA Finance range

UCI name	AUM as of 29/12/2023	AUM (%)	Asset class	SFDR	SRI Label	Prospectus
BEYOND RANGE (ARTICLE 9)						
DNCA Invest Beyond Alterosa	168m	0,54	Multi-asset	9		
DNCA Invest Beyond Semperosa	471m	1,51	European equities	9		
DNCA Invest Beyond Global Leaders	253m	0,81	European equities	9		
DNCA Invest Beyond Climate	276m	0,88	European equities	9		

UCI name	AUM as of 29/12/2023	AUM (%)	Asset class	SFDR	SRI Label	Prospectus
EQUITY						
Growth						
DNCA Invest SRI Europe Growth	1 349m	4,32	European Growth Equities	8		
DNCA Invest SRI Norden Europe	421m	1,35	Northern European equities	8		
Quality growth						
DNCA Invest Global Emerging Equity	196m	0,62	Equities Emerging Markets World	8		
DNCA SRI Euro Quality	2 341m	7,50	Euro Zone Equities	8		
DNCA Invest Euro Dividend Grower	446m	1,43	European Equities Fund	8		
DNCA Invest China Equity	11m	0,03	Chinese equities	8		
DNCA Invest Global New World	380m	1,22	Global equities	8		
DNCA Invest Global Sport	3m	0,01	International equity funds	8		
European Blend						
DNCA Engage	250m	0,80	European Equities SRI	8		
DNCA Opportunité Zone Euro	923m	2,96	Eurozone blend Equities	8		

Value						
Centifolia	927m	2,97	French value equities	8		
DNCA Value Europe	401m	1,28	European value equities	8		
DNCA Invest Value Europe	467m	1,50	European value equities	8		
Absolute Return						
DNCA Invest Miuri	286m	0,92	European long-hedged equities	8		
Small & Mid-Cap						
DNCA Invest Archer Mid-Cap Europe	508m	1,63	European mid-cap equities	8		
DNCA Actions Small & Mid-Cap Euro	341m	1,09	Eurozone Small and Mid Cap Equities	8		
DNCA Actions Euro PME	314m	1,01	Eurozone Small Cap Equities	8		
DNCA Actions Euro Micro Caps	43m	0,14	Euro Zone Micro-Caps Equities	6		
Matières Premières						
DNCA Invest Strategic Resources	Lancement en cours	Lancement en cours	Commodity funds	8		

UCI name	AUM as of 29/12/2023	AUM (%)	Asset class	SFDR	SRI Label	Prospectus
Multi-asset						
Eurose	2 674m	8,57	Flexible asset	8		
DNCA Invest Eurose	2 331m	7,47	Flexible asset	8		
DNCA Invest Evolutif	610m	1,95	Flexible	8		
DNCA Evolutif PEA	39m	0,12	Flexible	8		
DNCA Quadro	16m	0,05	Alternative Investment Fund	8		

UCI name	AUM as of 29/12/2023	AUM (%)	Asset class	SFDR	SRI Label	Prospectus
FIXED INCOME						
Short-term bonds						
DNCA Sérénité Plus	705m	2,26	Short-term eurozone bonds	8		
DNCA Invest Sérénité Plus	186m	0,60	Short-term eurozone bonds	8		
Absolute bond return						
DNCA Invest Alpha Bonds	8 874m	28,44	International Multi-strategies Bonds	8		
Credit						
DNCA Invest SRI High Yield	105m	0,34	High yield credit bond fund - SRI	8		
DNCA Invest Credit Conviction	179m	0,57	Flexible credit	8		
Convertibles						
DNCA Invest Convertibles	337m	1,08	European convertible bonds	8		
DNCA Convertibles Europe	308m	0,97	Convertible Bonds Europe	8		
DNCA Invest Global Convertibles	35m	0,11	Global Convertible Bonds	8		
Inflation						
DNCA Invest Flex Inflation	302m	0,97	International Inflation Linked Bonds	8		

D. Key features: the Beyond SRI range (Article 9)

Our Beyond range of funds dedicated to Responsible Investment management was launched in 2018, focused entirely on selecting stocks that make positive contributions to sustainable development issues. This range brings together funds whose management successively integrates the issues of Responsibility Risk and positive contributions to Sustainable Transition into the stock selection process.

Within the Beyond range, the funds below fall under article 9 of the SFDR regulation and also have SRI labels (France). The DNCA Invest Beyond Semperosa fund also has the Towards Sustainability/FebelFin label (Belgium):

BEYOND RANGE	
	DNCA Invest Beyond Alterosa
	DNCA Invest Beyond Semperosa
	DNCA Invest Beyond Global Leaders
	DNCA Invest Beyond Climate

Main features:

- Conviction-based SRI management
- Best-in-Universe approach
- Coverage of the portfolio by ESG analysis: min 90%.
- Exclusion of ratings < 4/10 in Responsibility (min 20% of the management universe[1])
- Voting and engagement policy
- Exclusion policy for controversial weapons
- Sectoral exclusion policy including companies in breach of the UNGC
- Objective to outperform 2 non-financial indicators with a minimum coverage rate of 90% and 70% for the first and second indicators respectively
- Search for positive externalities linked to Sustainable Transition

[1] If the 20% exclusion rate is not met using this method, the additional quintile method is used (exclusion of 20% of issuers regardless of rating).

E. Key features: the Responsible SRI range

Our range of SRI Responsible Investment funds was launched in 2020. These funds, which come under Article 8 of the SFDR, incorporate corporate responsibility issues into the stock selection process as a filter to exclude companies with poor practices or that are exposed to major reputational issues.

Key features:

- SRI management
- Best-in-Universe approach
- Coverage of the portfolio by ESG analysis: min 90%.
- Exclusion of ratings < 2/10 in Responsibility Risk (min 20% of the management universe)[2]
- Voting and engagement policy
- Exclusion policy for controversial weapons
- Sectoral exclusion policy, including companies in breach of the UNGC
- Objective to outperform 2 non-financial indicators[3]

All the funds in our Responsible SRI range are covered by Article 8 of the SFDR regulation.

All the normative and sectoral exclusions covered by DNCA Finance's general Exclusion policy apply to this range of funds. A more detailed presentation of these lists and the criteria used is set out in the "DNCA Finance Exclusion Policy" document, which is available on our website.

[2] If the 20% exclusion rate is not met using this method, the additional quintile method is used (exclusion of 20% of issuers regardless of rating).

[3] In order to take account of the progress needed in the availability of sustainability data from issuers, the coverage rate will evolve gradually:

- Before the end of 2024: a first indicator with a coverage rate of at least 70% and a second with a coverage rate of at least 50%;

- Before the end of 2025: a first indicator with a coverage rate of at least 80% and a second with a coverage rate of at least 55%;

- Before the end of 2026: a first indicator with a coverage rate of at least 90% and a second with a coverage rate of at least 60%.

OUR METHODOLOGY

A	Fundamental principles: long-term investment and SRI management objectives
B	Team and resources
C	Our proprietary ESG analysis model for corporate issuers
D	Analysis methodology
E	Frequency of assessment
F	Our proprietary ESG analysis model for governments

II. OUR METHODOLOGY

A. Fundamental principles: long-term investment and SRI management objectives

1. Our values

DNCA Finance is an asset management company created in 2000 by specialists in a patrimonial approach to asset management for private and institutional investors. Over the years, the founders have assembled a team of experienced and recognised fund managers to develop a range of simple, easy-to-understand, high-performance funds based on conviction management. Our investment choices are the result of in-depth fundamental analysis of companies. Before investing, we study a stock in its entirety in order to select the bonds and equities offering the best performance potential in relation to the risk taken.

Naturally, our analyses and the ongoing dialogue we maintain with companies are shaped by environmental and social issues. Our investments are resolutely geared towards long-term performance that takes account of all the risks and challenges facing companies.

Governance has always been a decisive criterion, and today it is unthinkable to invest in a company without ensuring the quality of its management, the independence of its supervisory bodies or respect for its minority shareholders. Gradually, social and environmental issues have become an integral part of our approach, as we are convinced of their relevance to our business: selecting tomorrow's winners.

2. Our beliefs

If there is one question that has been answered over the last ten years, it is that of the creation of value through the integration of ESG criteria into the management of financial products, or rather the non-destruction of value.

While conventional financial theory illustrates that narrowing an investment universe - by excluding companies with controversial behaviour - reduces diversification and forecloses certain opportunities, resulting in a lower capacity to perform, over the last ten years or so several studies have shown that there is no significant difference in financial performance between SRI funds and traditional funds.

On the contrary, the integration of ESG criteria provides a better understanding of companies and their activities and is therefore a good way of identifying risk factors that are not taken into account in a conventional financial analysis: fraud, accounting manipulations, denunciation of discriminatory or even illegal practices, deliberate pollution, cyber-attacks, etc., ultimately making it possible to better control volatility. In short, the debate about the performance of Responsible Investment funds is no longer a debate.

Not only does ESG analysis make it possible to limit the aforementioned risks, it also makes it possible to identify opportunities: this has been further accelerated since 2018 by the increase in regulation and pressure from civil society towards companies addressing sustainable development issues through their activities (energy efficiency, renewable energies, new technologies, health, eco-design, recycling, healthy food...).

3. DNCA Finance's 3Ps: Patience, Prudence, and Perseverance

Since its foundation, DNCA Finance has adopted a philosophy based on the 3Ps: Patience, Prudence, and Perseverance. These three key words, which reflect a desire to align the company's expertise with long-term asset management based on solid convictions and always in the interests of its clients, are also strongly reflected in the deployment of DNCA Finance's ESG approach.

Patience: While it may seem out of place to evoke the virtues of patience in the face of the urgency of ESG issues, particularly climate change, we believe that this notion is crucial if we are to avoid confusing goodwill with feasibility. In fact, in a constantly changing environment, marked both by a regulatory framework that is being formalised very quickly, faster than the reality of the market, and at the same time by the slowness in adopting a homogenous and standardised framework for extra-financial data, we feel it is essential to take a long-term approach.

Prudence: This patience is also accompanied by a desire for prudence on our part. We are convinced that the race for image and the outrageous communication that accompanies the craze for responsible investment pose real risks for management companies and the products they market. Faced with the proliferation of funds declared Article 9, DNCA Finance has decided to maintain a rigorous approach to SFDR classification, declaring Article 9 only funds with a clear sustainable development objective and a high level of sustainable investment in their portfolio.

Perseverance: Finally, our strong conviction in the relevance of our approach is the best possible illustration of this notion of perseverance. Indeed, in 2018, DNCA Finance made the strong choice to rely on an internal model, ABA, with the aim of offering a rating whose entire construction we control, with information from companies making up the bulk of the data used. Over the long term, we are convinced that our model, in which data is controlled and integrated into a proprietary analysis grid, is a guarantee of added value for our investments.

4. The fundamentals of our responsible investment philosophy

Our ambition is to offer a differentiating and innovative approach that evolves in line with the new challenges we face. As such, our Responsible Investment philosophy distinguishes two concepts: Responsibility Risk and Sustainable Economic Transition. The assessment of these two dimensions is based on an in-depth analysis of economic and social trends, but also on recognised expertise in the field of responsible investment. DNCA Finance has developed a unique approach, based on its proprietary ABA (Above and Beyond Analysis) rating tool. DNCA Finance's ESG analysis covers all aspects of responsible investment, including the "Responsibility Risk" of companies and organisations and their contribution to the "Sustainable Economic Transition". The ABA methodology is developed in the section "Our proprietary ESG analysis model".

1) Assessing corporate corporate responsability risk

Changes in certain indicators provide an additional analysis that is often not yet included in the financial statements. An abnormal rise in staff turnover, accidents at work or absenteeism may indicate a lack of well-being within the company or a deteriorated social climate that will have an impact on competitiveness and economic performance (1% absenteeism represents 1% additional payroll costs). In this context, we see Corporate Responsibility Risk analysis not as an investment opportunity, but as a formidable source of information for assessing the risks faced by companies, particularly in their interactions with their stakeholders: employees, suppliers, clients, local communities, shareholders, etc., whatever their sector of activity.

iv. Identifying sustainable investment opportunities

Our conviction is based on a long-term perspective of financing the economy. As a responsible asset manager, our role is to select companies with the best strategic and economic assets to meet the challenges of tomorrow, particularly those corresponding to the United Nations' Sustainable Development Goals. We are convinced that the ability of these players to anticipate their markets is crucial if they are to win or maintain their leadership. By identifying companies' exposure to sustainable economic transition, we aim to build robust outperformance for our portfolios relative to their benchmark universes.

The 17 United Nations Sustainable Development Goals

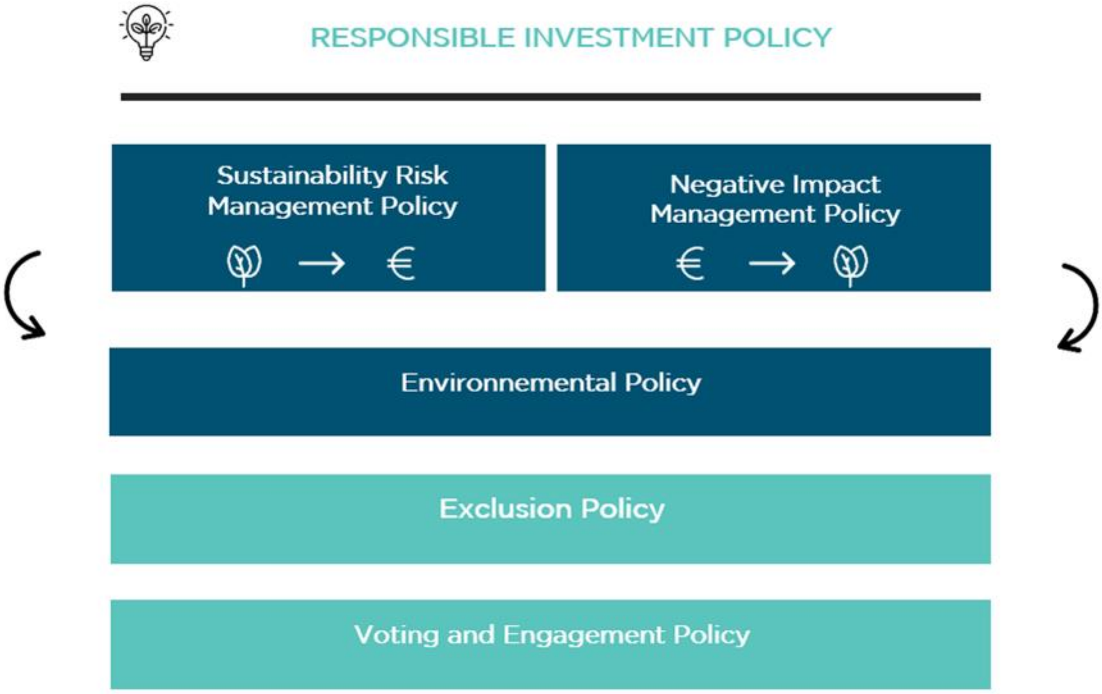
Sustainable economic transition is first and foremost a source of investment opportunities. Our job is to identify the themes that are relevant to sustainable economic transition and, by extension, to select the companies that contribute to it. Our proprietary analysis model, presented in the "Our ESG proprietary analysis model" section of this document, covers five major areas of sustainable transition and their material themes.

v. Limiting negative impacts on the environment and society

DNCA Finance has embarked on a management strategy to limit negative impacts on the environment and society, in line with its contribution to the Sustainable Development Goals. This strategy applies to the management company as a whole (application of the policy of excluding thermal coal and non-conventional hydrocarbons and Trajectoire Climat), and more specifically to certain specialised funds.

5. A responsible investment policy that incorporates the two pillars of "dual materiality"

The two aspects of responsible investment (impact on financial performance and consequences of investment decisions on the environment and society) constitute what is now known as "dual materiality": the management of (financial) sustainability risks (described in our "Sustainability Risk Management Policy" document) and the management of the negative impact of investments on sustainability factors (see our "Negative Impact Management Policy" document). This duality is illustrated in our Environmental Policy, by analysing both how companies and organisations can be weakened (impact of global warming, dependence on an ecosystem, etc.) and how DNCA Finance can limit the negative impact of its investment decisions on the environment and contribute to achieving international objectives (Paris Agreement on limiting temperature rise, Convention on Biological Diversity).



6. DNCA Finance's environmental policy and engagements

DNCA Finance places particular emphasis on taking into account environmental issues, including climate and biodiversity erosion, both in the analysis of portfolio risks and in that of the impacts that the portfolio may generate. In particular, as part of the "Climate Trajectory for Portfolios", DNCA Finance is committed to a gradual process of reducing greenhouse gas emissions and aligning with the Paris Agreement to limit global warming. GHG emissions, a major negative impact of financial portfolios, are the negative impacts on which DNCA Finance focuses its attention. The Environmental Policy is the subject of a dedicated document on our website. DNCA Finance has also detailed in its Article 29 Report of the French Climate and Energy Law, published in June 2022, how biodiversity issues are taken into account in its investment policy.

1) Aligning 2° and the Paris Agreement

Adopted in December 2015 at COP21, the Paris Agreement establishes an international framework for cooperation on climate change that aims, in particular, to limit warming "to well below 2°C, and continuing action to limit it to 1.5°C" (Article 2), and to achieve a global balance between greenhouse gas emissions and removals in the second half of the 21st century (carbon neutrality) (Article 4).

Since COP 21 and the Paris Agreement, climate change mitigation and adaptation must be part of the daily agenda of both the private and public sectors. For the financial sector, the agenda is defined by the main objectives agreed at COP 21: "Make financial flows compatible with a low greenhouse gas emission and climate resilient development pathway."

i. Alignment with the International Objectives of the Convention on Biological Diversity

The tenth Conference of the Parties (COP10) to the Convention on Biological Diversity (CBD), held in Nagoya (Japan) in 2010, resulted in a 'Biodiversity Strategy Plan for the Planet', including the 20 detailed and quantified Aichi Biodiversity Targets for the period 2011-2020. These 20 targets were approved by the 120 ministers and heads of delegation present in Nagoya. These targets were revised at COP15 in Montreal in December 2022. The

Global Biodiversity Framework defined at COP15 also includes 23 targets to be achieved by 2030.

ii. Climate risks

Climate change has an impact on the financial performance of issuers and, consequently, on the risk-return profile of the securities they issue. Climate risks are generally classified into two categories:

- Physical risks: risks associated with the physical impact of climate change on the activities of issuers, for example as a result of extreme temperatures, floods, storms or forest fires.
- Transition risks: risks associated with the transition to a low-carbon economy, for example changes in policy, technology or supply and demand in certain sectors.

iii. Risks associated with the erosion of biodiversity

Similarly, the erosion of biodiversity can be a source of potential economic and financial losses for issuers. However, the means of analysis, the technologies and the data are still largely unavailable and immature. In the case of biodiversity loss, as with climate change, there are two types of risk: physical risks and transition risks. These risks are described by the TNFD (Task-force on Nature-related Financial Disclosure) as "all the financial risks and opportunities for the organisation resulting from impacts on nature and/or dependence on nature".

iv. DNCA Finance's Climate Strategy

With the publication of the 'DNCQ Portfolio Trajectory' document in 2021, DNCA Finance has positioned itself as a player in the fight against climate change and alignment with the Paris Agreement and the limitation of global warming to 2° by the year 2100.

DNCA Finance has deliberately adopted a qualitative and pragmatic approach, prioritising the quality of measurements and the appropriation of analysis technologies before the precise setting of quantitative targets.

DNCA Finance's objectives are of several kinds:

- Short-term qualitative objectives
- Medium-term objectives on the exit from oil and coal (2030 - 2040)
- Medium-term objectives for portfolio alignment (2030)
- Long-term ambitions (2050)
- Short-term objective

DNCA Finance wants to develop methodologies for measuring and analysing data related to global warming:

- Measuring carbon footprints, including scope 3
- Methodology for calculating induced temperatures from carbon issuers

In addition, DNCA Finance is already integrating climate issues into its 'Engagement Policy' through its support for climate resolutions.

By way of illustration, the short-term targets set for 2023 were :

Targets	2023 target	Renewal 2024
- Improved data coverage	In progress	Objective renewed
- Improved temperature analysis including comparison with absolute carbon issuers, carbon footprint, carbon intensity and 3-year evolution between 2020 and 2022	Realized	Not renewed (change in methodology)
- Dialogue with at least 5 of the 'worst contributors' in terms of induced temperature ratings	Realized	Objective renewed
- Dialogue with at least 5 companies without a climate objective and representing the largest exposure in terms of assets under management	Realized	Objective renewed
- Dialogue with at least 5 companies that have not adopted the TNFD framework for their biodiversity impacts, representing the largest exposure in terms of assets under management		New 2024 target
- Support for the 'Say on Climate' resolutions	Realized	Objective renewed
- Implementation of management tools to achieve medium-term objectives	In progress	Objective renewed
- Overview of carbon emissions by public issuers	Realized	
- Exclusion of investments exposed to coal, up to 10% of revenues	Realized	Objective renewed
- Exclusion of investments exposed to unconventional oil & gas production, up to 10% of revenues	Realized	Objective renewed

- Medium-term targets for phasing out oil and coal (2030 - 2040)
  - o Exclusion of investments exposed to coal, up to a maximum of 5% of revenues by 2027
  - o Exclusion of investments exposed to coal, up to a maximum of 0% of revenue by 2030 for OECD countries
  - o Exclusion of investments exposed to coal, up to a maximum of 0% of revenue by 2040 for non-OECD countries
  - o Exclusion of investments exposed to the production of oil and coal, up to a maximum of 5% of revenues by 2030.
  - o Exclusion of investments exposed to the production of oil and coal, up to a maximum of 0% of revenue by 2040
- Medium-term objectives for portfolio alignment (2030)
  - o The average temperature index of DNCA Finance portfolios below 2.2°C (compared to 31/12/20), according to an analysis methodology that currently only includes scopes 1 and 2.

o DNCA Finance is Committed to integrating scope 3 for all its holdings, once this is available and standardised. At that time, DNCA Finance reserves the right to adjust its targets. In the meantime, DNCA Finance will provide any qualitative comments to monitor these objectives.

- The objectives are based on a constant scope as defined in the Environmental Policy (to be indexed) Long-term ambitions (2050)
- The average temperature index of DNCA Finance's portfolios is less than 2°C (compared to 31/12/20), according to an analysis methodology that currently only includes scopes 1 and 2.

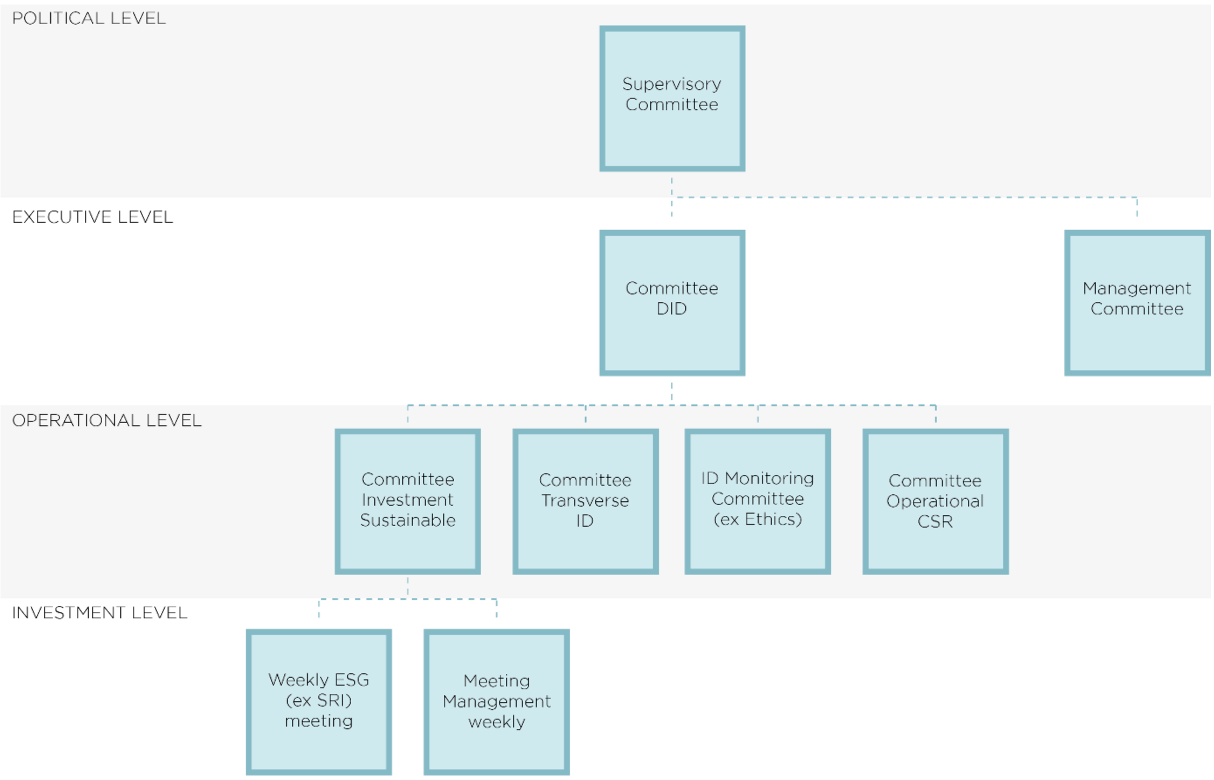
These objectives will be analysed regularly by DNCA Finance, in particular during the production of the annual 'Environmental Pressures' report. In this context, DNCA Finance will ensure that it is aligned with the climate trajectory, analyse any discrepancies and adapt the appropriate measures.

B. Teams and resources

Specific ESG governance, integrated into the governance of the management company DNCA Finance adapted its governance in 2022 to better apply the Responsible Investment Policy.

1. DNCA Finance's ESG governance is made up of several bodies

- Sustainable Development and Investment Committee (SDI Committee)
- Sustainable Investment Committee (SIC)
- Sustainable Investment Monitoring Committee (SID Committee)
- Transverse Sustainable Investment Committee (CTID)



i. Sustainable Development and Investment Committee (SDI Committee)

The objective of the DID Committee is to define the strategic orientations of DNCA Finance's CSR and Sustainable Investment policies, in line with the ESG orientations of the management company's Supervisory Board.

It is made up of members of the Executive Committee, the RCCI, the Head of the Responsible Investment Management and Expertise Unit, and representatives of the main functions (risk, marketing, legal, sales, etc.).

ii. Sustainable Investment Committee (SIC)

The purpose of the ID Committee is to define, deploy and monitor Sustainable Investment processes at the level of DNCA Finance's management teams. It is made up of the Head of the Responsible Investment management and expertise division, the General Secretary of Management, one representative per management team, one representative of the Compliance team and one representative of the Risk team. The committee also includes a representative from each management division.

iii. Sustainable Investment Monitoring Committee (SID Committee)

The purpose of the SID Committee is to monitor all developments relating to the exclusion policy and any negative impacts identified. It is made up of the Head of the Responsible Investment Management division, the General Secretary of the Management division, and at least one representative of the Compliance team and one representative of the Risk team.

iv. Transverse Sustainable Investment Committee (TID Committee)

The aim of the TID Committee is to define, deploy and monitor the operational processes that support and provide a framework for Sustainable Investment. It is made up of the Operations Department, the Responsible Investment Management Division, and the risk, marketing, legal, sales, data, compliance and middle office teams.

2. Risk control, a key player in the responsible investment policy

Responsible Investment, and in particular monitoring of sustainability risk, as well as all monitoring of Responsible Investment criteria, constraints and ratios, are integrated into DNCA Finance's control system.

Responsibilities are divided between first-level controls carried out in particular by Middle Office teams, according to criteria defined by the Risk Department, monitoring by the Risk Control team and second-level controls.

As such, the Risk Department is an integral part of DNCA's Responsible Investment governance.

3. Staff dedicated to responsible investment

A Responsible Investment Management and Expertise Unit has been created since 2018 to manage and develop the following activities:

- Carrying out ESG analysis of issuers
- Develop and deploy the ABA (Above and Beyond Analysis) proprietary ESG analysis model
- Steering SRI investment processes and fund management Article 9
- Responsible Investment reporting at SGP level (Article 29 of the Energy and Climate Law)

- Monitor transparency engagements: extra-financial reporting by funds, transparency code, information for clients, climate trajectory, etc.
- Managing the labelling of SRI funds

As of 31/12/2023, the Responsible Investment management and expertise team consisted of 9 FTEs, including 4 fund managers, 1 portfolio manager assistant, 3 SRI analysts and 1 IT engineer.

Léa Dunand-Chatellet

Head of SRI

Romain Avice

Portfolio Manager,
Deputy Head of SRI

Mathieu Belondrade, CFA

Portfolio Manager
SRI Analyst,

Florent Eyroulet

Portfolio Manager
Analyst

Arthur Morel

SRI Analyst

Aude Magrez

SRI Analyst

Coura Thiam

SRI Analyst

Abdoul Azize Yougbare

IT Ingineer

Victor Le Boulenger

Portfolio Manager
Assistant

In addition, all managers have access to ESG information via the proprietary ABA tool and can use it directly in their management process, particularly in the funds in the Responsible SRI range. There are 38 fund managers from the different investment management divisions working on funds outside the Beyond range (Article 9).

C. Our proprietary ESG analysis model for corporate issuers

We attach particular importance to developing proprietary models based on our expertise and our conviction of providing tangible added value in the selection of securities in our portfolios. DNCA Finance's ESG analysis model respects this principle and aims to offer a rating that we control from start to finish.

Information from companies makes up the bulk of the data we use. Dialogue with managers and site visits strengthen our understanding and are an invaluable source of added value.

Our model is built around five independent and complementary analytical pillars common to all strategies:

Corporate Responsibility	Sustainable transition	Controversies	Dialogue	SDG*

*Sustainable development objectives

The aim is to offer a detailed analysis that adds value to traditional financial analysis. This analysis is carried out exclusively in-house by DNCA Finance teams and is based on data from companies.

The ESG analysis of stocks is carried out under the supervision of the Responsible Investment management and expertise unit. Using the ABA tool, it reviews the Responsibility Risk analysis, the analysis of the contribution to the Sustainable Transition, the monitoring of controversies and newsflow, and meetings with company directors. The analysis is carried out exclusively in-house and does not include any ratings from external agencies.

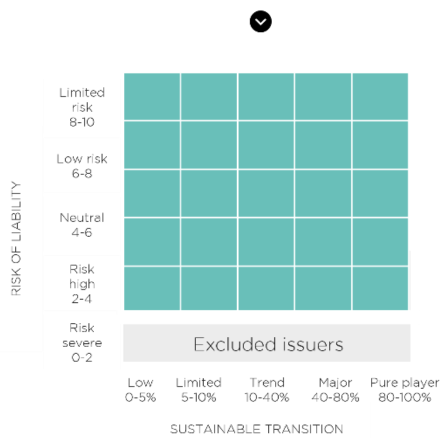
ESG analysis also relies on data from external service providers chosen for their specific expertise, following a major data sourcing tender launched at the end of 2021, which saw completion in 2023.

1. Summary

Our model makes it possible to measure both the investment risks derived from the Responsibility Risk score, including the assessment of the risk of controversy, and the positive contributions thanks to the assessment of exposure to the Sustainable Transition. Exchanges and information concerning the company are elements kept in the model and constitute our data history. By combining Responsibility Risk and Sustainable Transition, we aim to map companies according to a risk/opportunity approach.

RANGE OF FUNDS ARTICLE 9
DEDICATED TO SUSTAINABLE INVESTMENT

RANGE OF ARTICLE 8 "RESPONSIBLE" **FUNDS** WITH THE SRI LABEL



2. Corporate Responsibility risk pillar

One of the sources of financial value creation is avoiding corporate responsibility-related (reputation, controversies, operations). The development of these risk indicators provides an additional analysis, often not yet included in the financial statements, enabling companies to anticipate risks, particularly in their interactions with their stakeholders: employees, suppliers, clients, local communities, shareholders, etc., whatever their sector of activity.

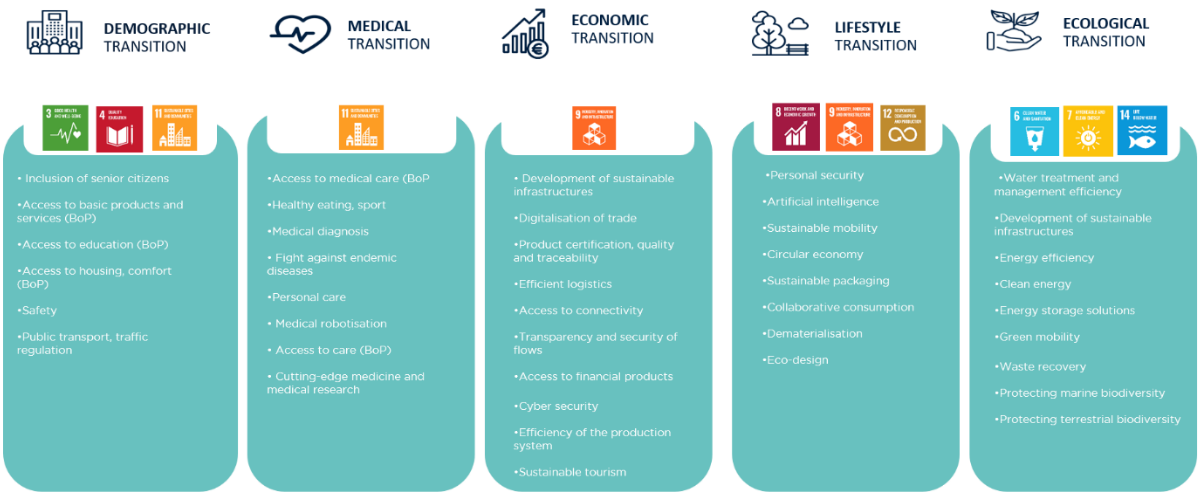
This pillar is rated out of 10 and is broken down into 4 themes: shareholder responsibility, environmental responsibility, social responsibility and societal responsibility. Each theme is built around the most material issues for companies, and the number of criteria is deliberately limited to 24.

Criteria and pillars for analysing corporate responsibility

3. Sustainable transition pillar

The second source of alpha comes from investments geared towards major long-term trends, which are naturally growing. By analysing sustainable economic transitions, we can select companies that benefit from these trends. Five macroeconomic transitions have been identified: demographics (inclusion of senior citizens, access to education, etc.), medicine (diagnostics, combating endemic diseases, etc.), the economy (access to financial services, digitalisation of trade, etc.), lifestyle (eco-design, collaborative consumption, etc.) and ecology (water treatment, renewable energies, etc.).

Analysis of the Sustainable Transition through 5 pillars



On this basis, the Sustainable Transition pillar offers an analysis of a company's positive contributions through its activities, products and services, by identifying whether a company is contributing to the Sustainable Transition, in what area(s) and in what proportion. For reasons of transparency of information, to date the exposure criterion used is turnover. However, over time we hope to move towards other criteria such as net profit, research and development expenditure or the proportion of products.

The level of exposure ranges from 0 to 100%, classifying companies into 5 categories, and gives rise to an assessment of the level of positive contribution to the Sustainable Transition, according to DNCA Finance's own "Sustainable Transition" reference framework. The allocation of the universe is independent of our assessment.

The analysis of exposure to each transition is based on information published by the companies. We do not make estimates, and in the absence of precise information we send a specific request to the company.

4. Controversy pillar

This pillar enables us to monitor the level of corporate controversy, using the typology used in the Responsibility Risk analysis: shareholder controversies, environmental controversies, social controversies and societal controversies. Our aim is to bring the principles laid down by companies into line with the reality observed, and to provide a basis of alerts for managers. Each controversy identified is the subject of a full analysis recorded in our proprietary ABA tool. At the end of this work, we distinguish the controversies according to their level of seriousness to obtain an aggregate rating.

We use this analysis as a leading indicator when it is tangible and not as a tool for systematic sanction. The international dimension of companies and the profusion of information mean that we must distinguish between isolated and major alerts in each situation. However, a succession of isolated cases may, for example, be indicative of a widespread violation throughout the company.

5. Dialogue and newsflow pillar

Exchanges with management are at the heart of our business as asset managers. Non-financial analysis is similarly committed to meeting companies as often as possible to discuss issues of corporate responsibility and sustainable transition. We value this dialogue, which enables us to gain a better understanding of the company and its strategy. It is for this reason that we meet with companies, either in the form of one-to-one meetings with management or during site visits.

A detailed report of these meetings dedicated to extra-financial issues is entered by the managers in our analysis tool, along with important information about the companies (newsflow). We also apply DNCA Finance's own engagement and voting policy at companies' General Meetings.

6. SDG pillar

In 2015, the UN member states adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals. The Sustainable Development Goals (SDGs) address global challenges, including poverty, inequality, climate, environmental degradation, prosperity, peace, and justice. The goals are interconnected. In our proprietary ABA analysis model, we have developed a section dedicated to the SDGs so that we can adapt these issues to asset management, and to companies. In this pillar, the benchmark used is directly that of the Sustainable Development Goals.

Where appropriate, the exposure and contribution of a company to one or more objectives is entered into our tool.

In addition to the 5 pillars mentioned above, the Positive Contribution/AIM and Climate pillars are complementary and optional, dedicated to positive contribution strategies.

7. Climate pillar

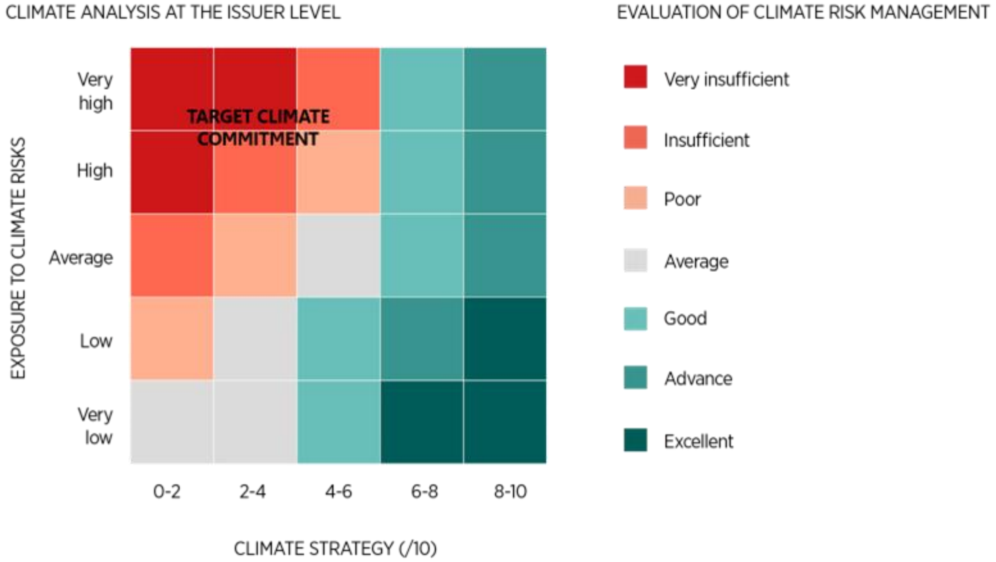
i. Analysis of the transition risks associated with climate change

Climat | **Positive contribution**

Our approach is based on a matrix that combines a detailed assessment of the climate risks faced by each company with an analysis of its climate strategy to determine the quality of its climate risk management.

- Transition risk exposure is determined for each company based on its sector and geographic footprint. We follow the same analytical framework as that presented in the TCFD, with an assessment of political and regulatory risks, technological risks, market risks and reputational risks. The level of risk assessed ranges from 'very low' to 'very high'.
- Assessing the company's climate strategy is one of the 24 criteria included in the Responsibility Risk analysis, under the heading "Climate and energy policy". We assess the quality of the climate policy, the relevance of the actions implemented, and the results obtained to obtain a score out of 10.

ii. Assessment of climate risk management



This assessment enables us to determine which companies have adequately managed their climate risks and which are at risk; those most at risk (combining high exposure and an inadequate climate strategy) will be targeted in our engagement policy.

Companies with ‘insufficient’ or ‘very insufficient’ management are excluded from SRI funds with a climate-related management philosophy (i.e. DNCA Invest Beyond Climate at 31/12/2023).

iii. Transition/Contribution rating

The selection of portfolio companies is based on a fundamental analysis of the activity, business model and strategy of each company under consideration, in order to determine the level of alignment with a scenario in line with the Paris Agreement. This analysis enables us to determine for each company whether its decarbonisation trajectory is compatible with international objectives (Transition analysis) and whether the company is contributing to the decarbonisation of other companies and sectors through its products and services (Contribution analysis).

- **The Transition analysis looks at** how the company decarbonises its own operations and, where applicable, its products and services. This analysis is based on a detailed knowledge of the climate issues and the carbon performance of each company to analyse the extent to which the actions implemented and the objectives selected are in line with the transition scenario determined for each company.
- **The Contribution analysis** looks at the positive contribution made by the company's products and services to the decarbonisation of other sectors. We analyse this contribution both statically (calculation of avoided CO_2 emissions) and prospectively, looking at investments and R&D.

This dual analysis results in a Transition / Contribution climate score for each company, with a gradation of - / = / + for each of the 2 aspects. Only companies with a Transition score = or + are eligible for the Climate fund (DNCA Invest Beyond Climate). Companies making a positive contribution (C+) are favoured.

iv. Analysis of the Transition

We built our Transition analysis method in-house, based on data and information provided by companies and reference sources such as the International Energy Agency (IEA), the CDP and the Science-Based Targets (SBT) initiative. The construction of decarbonisation trajectories in line with the Paris Agreement was carried out using scenarios developed by the IEA (in particular the Sustainable Development Scenario, SDS) as well as the modelling work by sector and society carried out by the SBT initiative. We believe that it is important to use models and scenarios that are recognised by all and that form a common basis for companies and their investors, while remaining aware of certain biases and the limits of any scenario modelling exercise.

For each company, we first identify the main carbon challenges by analysing a series of indicators:

- Carbon footprint (scope 1, 2, 3).
- Carbon intensity (by scope and, if possible, with an economic and a physical measure) and by carrying out a detailed assessment of its end markets.
- The elements of the company's strategy and climate objectives, which we use to model its decarbonisation trajectory.
- A comparison of the company's trajectory with that of the sector (and geographical area if relevant), which we model using data from the IEA (Sustainable Development Scenario - Europe zone) and the CDP, with several milestones: 2025, 2030, 2040 and the ambition of carbon neutrality by 2050, which is the engagement recently made by the European Union as part of the Paris Agreement.

We then assess the alignment of the company's decarbonisation trajectory with its reference trajectory (relevant sector/Europe zone) to determine whether the company is behind (T-), in line (T=) or ahead (T+) of this trajectory. The methodological choices are systematically communicated for each company. The details of the analysis, with examples, are explained below.

v. Analysis of the Contribution

As regards the analysis of the Contribution, i.e. how the company's products and services do or do not contribute to the low-carbon transition of one or more sectors, we focus on several elements of analysis:

- The company's 'green share' of the climate, i.e. the proportion of its products and services that contribute to the low-carbon transition, which enables us to define the scope of the analysis.
- The sectors addressed by the company's products and services, and in particular the share devoted to the 4 key sectors of energy, transport, building and industry.
- The positive contribution of products and services, assessed in terms of energy or CO_2 savings (material savings are recalculated in terms of CO_2 savings).
- The proportion of investment and innovation devoted to these low-carbon products and services, enabling us to assess whether this contribution is sustainable, or even expected to accelerate.
- The share of innovation investments dedicated to technologies identified as "innovation gaps" by the IEA, which enables us to promote companies that are investing in solutions that may not yet be profitable, but which will be essential if we are to achieve a carbon-neutral world.

Note that some elements of the Contribution analysis vary according to the investment pockets, as each category (Energy, Efficiency Solutions, Low-carbon Technologies, Low-Contribution) makes a different kind of contribution.

In order to determine the company's level of Contribution (negative, neutral, positive), we analyse how the company is positioned in relation to its sector peers and market standards. At this stage, we find it difficult to assess a company's level of contribution in relation to a low-carbon trajectory, other than in qualitative terms, even though this is one of the major areas for improvement in our methodology that we intend to work on.

Climate Portfolio Eligibility Matrix - Transition/Contribution Rating

	C-	C=	C+
T+	Trajectory < = to 2° Products and services with negative green contribution (or brown share)	Trajectory < = to 2° Products and services without green contribution	Trajectory < = to 2° Products and services with a positive green contribution
T=	Online trajectory Products and services with negative green contribution (or brown share)	Online trajectory Products and services without green contribution	Online trajectory Products and services with a positive green contribution
T-	Trajectory >>2° or no strategy Products and services with negative green contribution (or brown share)	Trajectory >>2° or no strategy Products and services with no green contribution	Trajectory >>2° or no strategy Products and services with a positive green contribution

vi. Positive Contribution Pillar: AIM (Additionality, Intentionality, Measurability)

The aim of the Positive Contribution pillar is to measure precisely, on a case-by-case basis, a company's positive contributions to specific environmental, social and societal issues. This part of the model is based exclusively on company data and identifies the relevant indicators for each activity and stakeholder. Our methodology, AIM, is based on three principles inherent in positive contribution analysis: the additionality of the products and services offered, the intentionality of the company and the measurability of the contribution. The concept of positive contribution complements traditional ESG analysis by offering objective and quantifiable reporting indicators.

Each company is given an AIM score according to the following scale:

D. Analysis methodology

1. Corporate responsibility analysis

The Corporate Responsibility analysis is relative to the business sector. Each stock is rated from 0 to 10, leading to a recommendation on the level of Responsibility Risk. The breakdown of the universe takes account of extreme ratings.

2. Sustainable transition analysis

Each company is assessed according to its absolute sales level. The level of exposure ranges from 0 to 100% and gives rise to a recommendation on the level of positive contribution to the Sustainable Transition. The breakdown of the universe is independent of our assessment.

E. Frequency of assessment

The Responsibility ratings are based on a set of quantitative KPIs that enable a qualitative analysis of the 24 criteria that make up the 10-point rating.

The quantitative indicators (or KPIs) are reviewed at least every two years when the companies' reports are published and depending on the accessibility of the data. Since 2021, DNCA Finance has been evaluating the possibility of obtaining raw ESG data from companies in accordance with the new regulatory reporting framework in order to be able to update the data at the time of publication. Given the difficulties in obtaining exhaustive and comparable data, this approach is constantly evolving.

At the same time, the Responsibility ratings are constantly evolving in response to new information and controversy. A newsflow screening model has been developed to capture as much information as possible. For example, the announcement of a change in management or the occurrence of an industrial accident are events that have an impact on companies and are taken into account in the ESG model as soon as they become official. ESG information concerning a company is systematically logged in the dialogue tab of the ABA tool and is subject to an evaluation (positive, neutral, negative). This information is attached to one of the 24 criteria of the Responsibility rating and will thus lead to a change in its rating: +1 (positive), 0 (neutral) or -1 (negative). This integration has a direct and potentially daily impact on a company's Responsibility rating. In the same way, the inclusion of controversies when they arise has an impact on the Responsibility rating (see controversy analysis paragraph). The ESG rating of companies is therefore dynamic. It is historised at 31/12 of each year, and the tool allows a 3-year rating history to be viewed.

In addition, the ESG analysis model is reviewed each year to assess the need to modify certain criteria. In practice, these changes are marginal and incremental. The aim is to adapt the model to new issues and remove those that may have become 'mainstream'.

In 2021, DNCA Finance has updated its Sustainable Transition activities to bring them into line with the new European taxonomy.

F. Our proprietary ESG analysis model for governments

Within our proprietary ABA tool, ESG analysis of governments/public issuers is broken down into:

- An analysis of the 4 pillars Environment, Governance, Social & Societal;
- Climate analysis.

We attach particular importance to the use of consistent and reliable data. Our ESG assessment model for public issuers is based on a set of indicators selected from the ISS Country Ratings database and tested for their statistical relevance. These indicators are subject to proprietary reprocessing to calculate our proprietary rating at government level.

Environmental analysis	• Natural resources (land use, renewable water, drinking water, forest management, etc.) • Climate change (alignment with the Paris agreements, greenhouse gas emissions, fine particle emissions, etc.) • Energy (primary energy reserves, energy mix, energy consumption per household, etc.) • Agriculture (share devoted to sustainable agriculture, use of GMOs, meat production, etc.) • Mobility (energy consumption by transport, freight vs. passenger transport, etc.) • Waste management and recycling (fresh water discharges, waste production and proportion recycled, etc.)
Governance analysis	• Rule of law and respect for freedoms (independence and efficiency of the judiciary, rule of law, respect for fundamental rights, human rights, etc.) • Quality of institutions and regulatory framework (quality of governing bodies, quality of regulations, etc.) • Democratic life (political vitality, electoral system, level of democracy, political stability, etc.) • Military status and defence (military expenditure as a percentage of GDP, involvement in conflicts, etc.)
Social analysis	• Employment (unemployment rate, long-term unemployment rate, employment rate for 15-64 year-olds, etc.) • Health (life expectancy, health expenditure, access to medical services, etc.) • Education and training (expenditure on education as a percentage of GDP, pupil/teacher ratio at primary level, access rate to secondary education, etc.)
Societal analysis	• Inequalities (income distribution, poverty rate, GINI index, etc.) • Living conditions, freedoms and respect for fundamental rights (non-discrimination, right of association, child labour, forced labour, etc.)
Climate analysis	The climate profile of a public issuer is analysed separately within our proprietary tool and breaks down into 4 main criteria: • Energy mix (fossil fuels, renewables, total energy supply, etc.) • Evolution of the energy mix over 5 years (fossil fuels, nuclear, renewables, etc.) • Carbon intensity (total emissions, share of global emissions, intensity, etc.) • Reserves (coal, gas, oil and share of world reserves, etc.)

i. Country ratings

Within the 5 main pillars of analysis described above, 86 key indicators are rated out of 10, the result of a weighted average of the indicators.

A final ESG rating for each country is assigned from 0 to 10, using an equal weighting of the 5 main pillars of analysis.

Finally, a number of controversies considered serious at country level are listed (respect for human rights, discrimination, freedom of association, freedom of the press, etc.). If a country contravenes one or more of these controversial issues, a penalty is applied to the pillar concerned.

ii. Climate analysis

The Climate analysis is essentially descriptive and includes a number of climate-related indicators/KPIs that have no impact on the country rating.

- The main categories of indicators/KPIs are as follows:
- Change in energy mix (5 years)
- Energy mix
- Carbon intensity
- Reserves

OUR PROCESS MANAGEMENT

A	The investment universe and calculating the exclusion rate
B	Portfolio construction
C	Shareholder engagement and voting policy
D	Securities borrowing
E	Use of derivatives
F	Solidarity organisations

III. OUR MANAGEMENT PROCESS

A. The investment universe and calculation of the exclusion rate

As part of the SRI France Label, funds that have been awarded the label or are candidates for the label are attached to a selectivity file to demonstrate and monitor, on a monthly basis, the exclusion of at least 20% of their investment universe. These files are produced and recorded on a daily basis and take into account several elements which are described in detail below:

- The investment universe
- Eligible funds
- ESG ratings of issuers
- Exclusion rates

1. Defining investment universes

The investment universes are defined in the fund prospectuses and are based on two parameters:

- The management objective includes the benchmark index,
- The investment universe includes the number of securities making up the management universe.

Where applicable, some strategies also specify geographical zones and/or capitalisation sizes.

Based on these two parameters, each fund is assigned to a standard investment universe that corresponds to the portfolio's dominant strategy. The investment universes are rationalised to associate funds with comparable management perimeters (country, capitalisation size and asset class) with the same selectivity file.

A dynamic Excel file shared by the SRI, Risk, Data and Legal teams lists the funds attached to each file. It is updated as the scope of the file changes.

2. ESG ratings of issuers

The rating of issuers making up a selectivity file is based by default on the qualitative internal ABA rating described above for all securities invested in the portfolio or which have already been invested in the past. Otherwise, a quantitative ABA rating is used, the only difference between which and the qualitative rating is that the various fields of our proprietary model are sourced from MSCI's ESG database. The use of this quantitative rating is used to complete and maximise the coverage rate of the universes without guaranteeing exhaustive coverage.

3. Calculating exclusion rates

Exclusion rates are calculated on the basis of ABA ratings (qualitative or quantitative). They correspond to the requirements of SRI strategies as specified in their prospectus:

- Minimum rating of 2/10 for Responsible SRI strategies
- Minimum rating of 4/10 for Beyond SRI strategies

Securities that are not covered by either the internal qualitative ABA model or the quantitative model are excluded. This approach is based on a prudential approach, which consists of excluding any company for which we are unable to assess the ESG quality.

Exclusion rates are published in the monthly reports, which also specify exclusion rates according to levels of cover.

If a selectivity file has an exclusion rate of less than 20%, the quintile method is used to remedy the situation. The 20% lowest-rated issuers in the investment universe are then excluded, even if some issuers have an ABA rating higher than the minimum ratings set out above. If this method is used, an automatic e-mail is sent to the fund managers concerned informing them of the switch to the quintile method and detailing the list of excluded securities with an ABA rating above the minimum rating.

B. Portfolio construction

The eligible universe thus defined is the starting point for portfolio construction. From then on, financial analysis, the fundamental quality of the company, liquidity on the markets and potential for appreciation are the determining criteria for portfolio construction. In addition, extra-financial analysis complements traditional financial analysis by identifying new risks or long-term growth drivers. The aim is to enhance our fundamental knowledge of companies to select the best stocks for our portfolios. A conversion grid is used to integrate extra-financial analysis into company valuations via the risk premium.

In addition, DNCA Finance funds are non-index portfolio strategies, which do not take into account the benchmarks against which they are compared.

Finally, the investment and divestment policy is linked to the criteria set out above. For example, the weight of a stock in the portfolio will gradually decrease as its market value increases. On the other hand, any change in the Corporate Responsibility rating leading to a downgrading in risk (rating below 4 out of 10 in the BEYOND SRI range or rating below 2 out of 10 in the Responsible SRI range) implies a divestment of the security in the portfolio. This divestment must be carried out without delay under the best market conditions. The same applies in the event of a major controversy. In such cases, the quarterly SRI report informs investors of these situations and the divestments made over the period. New holdings are also reported in this dedicated report.

C. Shareholder engagement and voting policy

1. Engagement policy

As described in our responsible investment policy, we attach the utmost importance to maintaining an ongoing dialogue and engagement with the companies in which we invest. Shareholder engagement is a crucial pillar of our responsible investment approach and of our fiduciary responsibility.

We distinguish two ways of interacting with companies:

- Dialogue with companies: as conviction managers, we believe it is essential to meet very regularly with the companies in which we invest or plan to invest. This applies to both financial and ESG analysis. In particular, ESG meetings give us the opportunity to question management about its strategy and the extent to which its implementation takes into account the interests of all stakeholders. These meetings generally provide us with a much more relevant picture of the degree of integration of ESG issues, the corporate culture and the company's ability to manage its ESG risks, than reading the documents published by the companies. The information obtained during these meetings contributes to the quality and responsiveness of our ESG research, which is carried out entirely in-house.

- Investor engagement: as an active investor and in order to protect the interests and value of our clients' investments, we believe that it is our responsibility not only to select the best investments, but also to encourage best practice in the companies in which we invest and more generally in the markets. We have begun to formalise our engagement policy. This incorporates the principles set out in our responsible investment policy and our voting policy. Our engagement process is based on a careful selection of engagement targets (according to criteria of materiality and weight in our investments), the definition of clear and precise engagement objectives, and regular reporting on progress made in the annual review of our engagement activities. We are also keen to participate in a number of collaborative engagement initiatives, as we believe that certain systemic issues such as climate protection require coordinated action to achieve the best results.

Our engagement activities make a significant contribution to the quality and integration of our ESG approach. As such, we have set ourselves ambitious targets for our interactions with the companies in which we invest.

For example, the companies in our SRI funds are given priority as part of DNCA's engagement activity.

In addition, each year, DNCA initiates at least one engagement campaign on a specific theme (e.g. climate, induced temperature, biodiversity-adoption of the TNFD framework) for companies in its portfolio.

Lastly, any new controversy concerning a company in the portfolio, classified as severe (level 4) in our proprietary analysis tool, must trigger an engagement process.

2. Voting policy

In its capacity as a management company, DNCA Finance looks after the interests of its investors by actively participating in a large number of General Meetings of the companies in which the funds it manages hold stakes.

DNCA Finance's management is totally independent. The management's voting policy is exercised in the best interests of the shareholders of its UCIs while respecting the various stakeholders of the issuing companies.

The voting policy is based on the AFEP-MEDEF governance code, which has been developing governance standards since 1995, enabling listed companies to improve their operations and management with a high degree of transparency.

The voting policy and the annual report on the exercise of voting rights are published on the DNCA Finance website.

D. Securities borrowing

SRI funds do not engage in securities lending or borrowing.

E. Use of derivatives

The funds in the SRI Beyond and SRI Responsable ranges are authorised to use derivatives only under the conditions described in the prospectus.

For more information, the prospectuses of the various funds listed are published on the DNCA Finance website, the links to which are available from page 10 of this document.

F. Solidarity organisations

The funds in the Beyond range are not invested in solidarity organisations.

CONTROL AND REPORTING

A	Control procedure
B	Communication media
C	Legal information

IV. CONTROL AND REPORTING

A. Control procedure

1. Risk control procedure

A "Monitoring of SRI risk criteria and constraints" procedure has been implemented within DNCA Finance to monitor the constraints of SRI fund management. The procedure describes the integration and monitoring of "SRI" criteria, constraints, and ratios to which "SRI labelled" vehicles are subject, within the risk control system implemented by DNCA Finance in pre- and post-trade. This procedure complements the order placement procedures applicable to SRI-labelled vehicles managed by DNCA Finance.

The control process is briefly described below:

- Start of the process
  - As soon as an analysis is carried out on an issuer, the ESG team enters the rating into the proprietary ESG repository, ABA ;
  - As part of the order placement process, the manager wishes to place an order on a security on behalf of an SRI vehicle;

- How the process works
  - By daily *batch,* ABA notation is integrated into the constraints server (CRD);
  - An automatic pre-trade check is carried out in OMS: issuer analysed, authorised value and eligible ESG rating;
  - In the event of non-compliance with a constraint, the manager is informed of the alert for justification and/or rectification.

- End of process
  - The constraints server is updated with SRI ratings;
  - In the event of a pre-trade anomaly, a WHO alert (whether blocking or not) informs the manager that an SRI constraint has been breached;
  - On a daily basis, the Middle Office carries out post-trade checks to ensure that SRI vehicles comply with constraints.
  - The manager provides the Middle Office with the necessary explanations without delay (see procedure for monitoring breaches of ratios and constraints).

2. Labelling system

The SRI funds in the Beyond SRI range and most of the Responsible SRI range are subject to a labelling process by the certification firm Deloitte. In total, 28 funds in the DNCA Finance range had obtained the SRI Label by 31/12/2023.

The DNCA Invest Beyond Semperosa fund in the Beyond SRI range, marketed in Belgium, has also been awarded the Towards Sustainability Label.

In addition, DNCA Finance has been a PRI signatory since 2017 and in the second half of 2023 carried out the mandatory annual assessment, the results of which are published on the DNCA Finance website.

B. Communication media

1. Support for the general approach

Transparency is a key issue for Responsible Investment. As such, DNCA Finance wishes to promote and disseminate its practices to ensure the best possible understanding.

A dedicated space on https://www.dnca-investments.com/met provides investors with a wealth of information:

- Our Responsible Investment policy ;
- Our news and publications;
- Our specialist reports;
- Our SRI letter ;
- Our PRI (Principle for Responsible Investment) rating.

DNCA Finance also publishes the various regulatory reports:

- The shareholder engagement policy and voting policy and the voting performance report;
- The exclusion policy
- The annual report - Article 29.

Our ambition is to offer the most complete transparency on extra-financial issues. To this end, we attach particular importance to sharing our expertise in a field that is currently undergoing standardisation and where the prospects for development are still wide. For this reason, we will communicate any significant changes to our model or analysis process and share our feedback.

On the other hand, measuring contributions, particularly responsible portfolios, is a priority. There are many obstacles, mainly due to the definition of criteria and their relevance, the reliability of data and access to it. Nevertheless, at this stage it is essential for DNCA Finance to contribute actively to this area of development.

2. Support linked to SRI funds

Each SRI fund is subject to monthly financial and extra-financial reporting. This reporting includes the following information :

- Average responsibility score for the portfolio ;
- Contribution to Sustainable Transition ;
- Contribution to the SDGs ;
- Carbon footprint ;
- Star of Responsibility ;
- Breakdown of the portfolio according to the themes of Sustainable Transition ;
- ESG risk/opportunity matrix for the portfolio ;
- Positive contribution measures and dedicated reporting where applicable for funds in the Beyond SRI range (Art 9)

3. Non-financial performance reporting

As part of the SRI Label V2 framework, funds are required to measure ESG performance indicators. DNCA Finance now uses Scope Ratings for its extra-financial database of companies and its methodology for calculating the cost of ESG externalities. DNCA Finance plans to change the supplier of its extra-financial database for calculating performance indicators. MSCI has been selected and the IT teams are currently integrating these indicators into the company's databases, with an estimated switchover between Scope Ratings and MSCI between 3èmes and 4ème quarter of 2023.

1) Non-financial performance indicators

ENVIRONMENT	SOCIAL	SOCIETAL	GOVERNANCE
PAI 1 - GHG emissions (levels 1, 2, 3 and total)	PAI 12 - Gender pay gap	PAI 10 - Violations of UNGC and OECD principles	PAI - Gender diversity in governance bodies
PAI 2 - Carbon footprint		PAI 11 - Lack of UNGC and OECD compliance processes and mechanisms	
PAI 3 - GHG intensity		PAI - Exposure to controversial weapons	
PAI 4 - Share of investment in companies active in the fossil fuel sector			
PAI 5 - Share of non-renewable energy consumption and production			
PAI 6 - Energy consumption intensity by sector with high climate impact NACE			
PAI 7 - Activities with a negative impact on biodiversity-sensitive areas			
PAI 8 - Discharges into water			

iii. Reporting

Non-financial performance indicators are calculated monthly over a 3-year[4] period as part of the financial and non-financial reporting. They are presented individually and compared with the strategy's benchmark index. The coverage rate is also specified for each indicator.

As part of the SRI label, each fund in the SRI Beyond and SRI Responsible range aims to outperform two non-financial indicators[5].

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[4] It should be noted that DNCA Finance changed its non-financial data provider in October 2023 from monitoring negative externalities by the Scope Rating provider to monitoring performance indicators (PAI) by the MSCI provider. This change of supplier and indicator typology prevents DNCA Finance from producing a 3-year ESG performance comparison. DNCA Finance Committed to produce this historical data from the data available in December 2023.

[5] In order to take account of the progress needed in the availability of sustainability data from issuers, the coverage rate will evolve gradually:

- Before the end of 2024: a first indicator with a coverage rate of at least 70% and a second with a coverage rate of at least 50%;
- Before the end of 2025: a first indicator with a coverage rate of at least 80% and a second with a coverage rate of at least 55%;
- Before the end of 2026: a first indicator with a coverage rate of at least 90% and a second with a coverage rate of at least 60%.

Legal information on each fund is also available on the DNCA Finance website.

C. Legal information

	DNCA Invest Beyond Alterosa	DNCA Invest Beyond Semperosa	DNCA Invest Beyond Global Leaders	DNCA Invest Beyond Climate
GAMME BEYOND (ARTICLE 9)				
Prospectus				
Annual report				
Semi-annual report				
Monthly reporting				
KID				
Commercial sheet				
Fund website				

UCI name	Commercial sheet	Website	Portfolio Inventory	Annual report	Semi-annual report	Monthly reporting	KID	Prospectus
EQUITY								
Growth								
DNCA Invest SRI Europe Growth								
DNCA Invest SRI Norden Europe								
Quality Growth								
DNCA Invest Global Emerging Equity								
DNCA SRI Euro Quality								
DNCA Invest Euro Dividend Grower								
DNCA Invest China Equity								
DNCA Invest Global New World								
DNCA Invest Global Sport								
European Blend								
DNCA Engage								
DNCA Opportunité Zone Euro								
Value								
Centifolia								
DNCA Value Europe								
DNCA Invest Value Europe								
Absolute Return								
DNCA Invest Miuri								
Small & Mid-Cap								
DNCA Invest Archer Mid-Cap Europe								
DNCA Actions Small & Mid-Cap Euro								
DNCA Actions Euro PME								
DNCA Actions Euro Micro Caps								
Commodities								
DNCA Invest Strategic Resources								

UCI name	Commercial sheet	Website	Portfolio Inventory	Annual report	Semi-annual report	Monthly reporting	KID	Prospectus
MULTI-ASSET								
Eurose								
DNCA Invest Eurose								
DNCA Invest Evolutif								
DNCA Evolutif PEA								
DNCA Quadro								

UCI name	Commercial sheet	Website	Portfolio Inventory	Annual report	Semi-annual report	Monthly reporting	KID	Prospectus
FIXED INCOME								
Short-term bonds								
DNCA Sérénité Plus								
DNCA Invest Sérénité Plus								
Absolute bond return								
DNCA Invest Alpha Bonds								
Credit								
DNCA Invest SRI High Yield								
DNCA Invest Credit Conviction								
Convertibles								
DNCA Invest Convertibles								
DNCA Convertibles Europe								
DNCA Invest Global Convertibles								
Inflation								
DNCA Invest Flex Inflation								

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