ELEVA Sustainable Impact Europe

Staying on the impact track

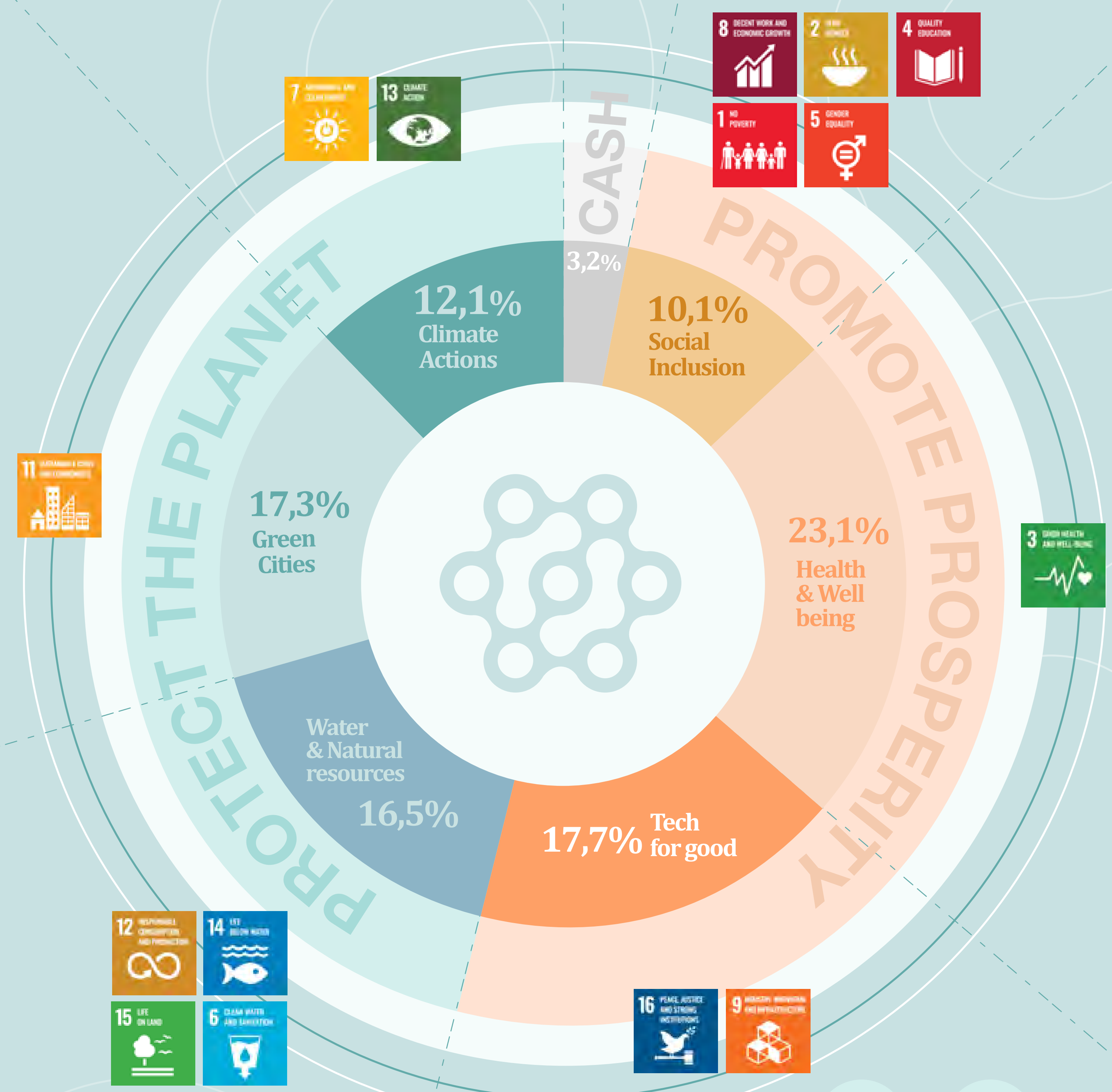
Impact Report 2022

ELEVA CAPITAL

Label ISR

Art. 9

Portfolio exposure to sustainable themes*



Impact metrics

* Each position is allocated to 1 theme depending on its main SDG contribution

Impact metrics : The impact of our investee companies*

PROMOTE PROSPERITY

Social Inclusion

€2.0 billion
in support for social enterprises, microfinance institutions, activities with high social impact *(BNP Paribas)*

1.2 billion
people reached with nutritional food products *(Kerry)*

Health & well-being

446 million
beneficiaries of health products and services *(Astrazeneca, Novo Nordisk, DSM, Coloplast, Amplifon)*

€13 billion
invested in science (R&D) *(Astrazeneca, Lonza, Novo Nordisk, Coloplast)*

Tech for Good

3.3 billion
fraud, bot, mobile attacks detected and stopped *(RelX)*

1,300
missing child cases resolved *(RelX)*

€ 767 billion
electronic payment transactions processed *(Adyen)*

22 billion
fraudulent payments stopped *(RelX)*

PROTECT THE PLANET

Climate actions

1.2 GW of renewable energy capacity installed in 2022, the equivalent of 240 wind turbines of 5MW *(EDP Renovaveis)*

47 million
tons of emissions avoided (CO_2e) *(EDP, Schneider, Alfen, Terna, Waga, Dassault Systemes, Michelin, Air Liquide, Croda)*, the equivalent of taking 9.5m passenger cars off the road for one year

5.8 million
additional people accessing green electricity in 2022 *(Schneider, Alfen)*

Green cities

57,000
houses insulated with ecological products per year *(Steico)*

Water and natural resources

1.2 million
customers using Product-as-a-Services solutions, maximising efficient use of natural resources *(Elis, Ashtead)*

300 million
meters of piping solutions preventing wastage and promoting efficient use of water *(Aalberts)*

1.8 million
tons of metal recycled and diverted from landfills *(Befesa)*

* Aggregated data when possible, there might be double counting

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Foreword

2022 has been yet another challenging year. Environmental and social transition issues have been exacerbated by soaring food and energy prices, the war in Ukraine, and tighter financial conditions. It is crystal clear: the need for financial resources to support this transition is not only high but also relentlessly escalating.

The International Energy Agency (IEA) estimates that global investment in energy infrastructure alone must rise from the current $2trn per year (approximately 2.5% of global GDP) to nearly $5trn per year (around 4.5% of global GDP) by 2030, to align with a 1.5°C pathway. Encouragingly, **there are tangible initiatives underway to support this transition,** such as the $430bn Inflation Reduction Act ("IRA") in the US and the «Fit for 55» plan in Europe, which aim to substantially support companies and households in their decarbonation journey. As a result, companies focusing on addressing global challenges will experience increasing demand for their products and attract investors' interest.

Companies we invest in are at the forefront of this transition, and we believe that as investors, we have a pivotal role to play. Listed companies, due to their scale, have a critical role in **bridging the financing gap between public spending and global needs.** Many of these companies are offering solutions that address urgent environmental and social challenges. The objective of our fund, which invests in these companies, has never been more timely.

This 2022 report is the second one since the fund's inception. ELEVA Sustainable Impact Europe, which will celebrate its 3rd anniversary soon, aims to generate **financial performance while investing in European equities that create a positive impact on people and the planet.** We measure the contribution of these companies to the Sustainable Development Goals (SDGs) through their revenue alignment. In this report, we showcase the significant achievements of our investee companies, their positive impact, and our role as investors. Our actively managed fund comprises **small, mid, and large companies, both «value» and «growth» securities, all united by their commitment to making a difference.** We provide illustrative examples to demonstrate our rigorous investment methodology. Additionally, we are glad to shed light on our "Scale Up" pocket, targeting small companies showcasing rapid growth and a potentially large social and/or environmental impact thereby contributing to our additionality.

This report aims to bring **transparency to our investment process** and is part of our engagement endeavours. It aims to share with our investors the tangible impact unlocked by these inspiring companies. The data points presented in this report have been verified by Stone Soup Consulting, an external party. While we celebrate the achievements highlighted here, we acknowledge that much work still lies ahead. As investors, we are excited about the opportunities that await us in driving further progress toward environmental and social goals.

ELEVA Capital, June 2023

Sonia Fasolo
Co-Portfolio Manager

20 years' experience

Matthieu Détroyat
Co-Portfolio Manager

15 years' experience

Our approach to impact investing

Impact investing is becoming the investment of choice for investors who want to be part of the change, while uncompromising on financial returns. With renewed pressure on the financial industry to enhance social and environmental value and the rise of sustainable finance options, **impact investing has become a highly demanding practice that transcends ESG.** Whereas ESG and sustainable investing focuses on doing no harm and negative screening, impact investing takes a constructive stance to drive positive change - "impact" - and contributes with solutions to an underserved problem that can be transformative to people and/or the planet. In this regard, impact investing focuses on impact measured as the change in outcomes. At ELEVA Capital, we fully endorse the definition of impact investing provided by the Global Impact Investing Network (GIIN)[1] :

"Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return."

Impact investments have a dual mission of achieving attractive financial returns and generating positive environmental and social value. Based on this understanding, the ELEVA Sustainable Impact Europe fund invests only in companies whose products or services are deemed to make a positive contribution to social and/or environmental challenges.

Why and how we do impact investing

ELEVA Sustainable Impact Europe (ESIE) structures its investment process around the three pillars of impact investing, as recognized by the international consensus as well as the work undertaken by F4T (Finance For Tomorrow now called Institut de la Finance Durable, in English Institute of Sustainable Finance) in France: **intentionality, additionality, and measurement**[2].

INTENTIONALITY	• At the portfolio level: Assessment of a company's impact prior to investment • At the corporate level: Impact is at the heart of the strategy (e.g.: company's purpose)
ADDITIONALITY	• The Scale Up Pocket: Addressing the capital needs of small companies with groundbreaking impact • Engagement: Individual and collective to push companies to maximize their impact • Philanthropy: Sharing mechanism through ELEVA Capital's partnership with UNICEF
MEASUREMENT	• Annual "Impact report" measuring outputs and outcomes contributing to SDGs • Making impact tangible for our clients • Impact contribution verified by an external party

1 - Global Impact Investing Network – GIIN. Core Characteristics of Impact Investing (2020): https://thegiin.org/assets/Core%20Characteristics_webfile.pdf

2 - Finance For Tomorrow (now called Institut de la Finance Durable) https://institutdelafinancedurable.com/app/uploads/2021/10/Finance-for-Tomorrow-Definition-of-Impact-Finance-September-2021.pdf

A step further in impact measurement: IMP analysis of the portfolio

Furthermore, this year, we have taken our impact measurement practice one step further, using the IMP **(Impact Management Project, now Impact Frontiers) framework**[3] to undertake a portfolio-level analysis of the impact of our investments for the ESIE Fund. The IMP conceptualisation represents one of the most widely used frameworks for impact investors in understanding the impact of their investments and may be used at the portfolio, fund or investment levels. Specifically for ESIE, this IMP analysis is anchored on a fit-for-purpose methodology that, framed within IMP lines, assesses both the impact of the investee companies in the fund and the contribution of ELEVA Capital as an investor. Key takeaways from this IMP analysis are detailed in a dedicated subsection in the report.

Advancements in the French and the international impact ecosystem

Like ESG, impact investing is an evolving domain, and we will **continue to adapt our methodology and process to best practices in the market.** We rely on the following standards and initiatives to refine our impact investing approach and our proprietary SDG methodology:

- United Nations Principles for Responsible Investment (PRI)
- United Nations Global Compact
- SDI Taxonomy - Asset Owner Platform
- Impact Management Project, now Impact Frontiers (IMP)
- French Forum for Responsible Investments (FIR)
- French Asset Management Association (AFG)
- Global Impact Investing Network (GIIN)

We take note of the developments in the international arena and the French ecosystem for the impact investing practice. ESIE is a fund investing in listed equities, which showcases ELEVA Capital's commitment to delivering impact in public-equity markets. With an ongoing debate on the differential impact achieved in both public and private markets, our **investment process resonates well with the work developed by the GIIN's Listed Equities Working Group,**[4] from defining a strategy encompassing a problem to solve, to engaging with portfolio companies to amplifying impact and measuring and managing the outcomes obtained.

Thus, we have focused on active shareholder engagement with our investee companies as a crucial lever to enhance impact and deliver additionality across public markets. We systematically vote at each General Meeting and engage with 100% of investee companies. We undertake a constructive engagement based on an ongoing dialogue that sets realistic but demanding targets with each investee company.

Even more, this spring 2023 the GIIN released a Guidance for Pursuing Impact in Listed Equities, which dovetails with our public-equity investing practice for the ELEVA Sustainable Europe Impact Fund in a number of ways:

- **The development of an impact thesis** recommended by GIIN is reflected in our careful analysis of the SDG contributions for each of our investees, assessed to represent a material part of the company's business.
- Our robust engagement policy showcases how public-equity investing can make use of engagement means to drive impact in listed markets. **Engagement effectiveness is measured consistently** via a proprietary methodology and when diversion occurs, we engage with the company's management to understand why, and redress what is required. Exits could be triggered by unsatisfactory achievement of the engagement goals.
- Performance data from the portfolio are gathered, analysed through time and considered for future action, which also informs changes in the portfolio's composition year after year.

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3 - The IMP (now Impact Frontiers)'s conceptual framework may be consulted here:
https://impactfrontiers.org/norms/
4 - GIIN: Impact Investing in Listed Equities. Strategies for pursuing impact:
https://thegiin.org/assets/Impact%20Investing%20in%20Listed%20Equities_FINAL.pdf

- Our provision of capital to the Scale Up Pocket companies represents the few instances where public-equity investing can enhance financial additionality via capital increases to underserved companies with an impact-driven mission.

In addition, we have been closely following developments in France, notably the Finance for Tomorrow initiative (*Institut de la Finance Durable*[5]) and its impact scoring system. F4T's self-assessment matrix for impact investors comprises a fund contribution rating scale based on 12 qualifying questions and a rating scale of the investor's contribution to impact. We have taken note of this pedagogy, learning and transparency instrument and will ensure it informs our future impact investing practice.

5 - More about the « *Institut de la Finance Durable* » here :
https://institutdelafinancedurable.com/en/

ELEVA Sustainable Impact Europe in brief

Launched in 2020	Conviction Stock Picking	Blend	Multicaps	Scale Up pocket
	43 positions Long term holdings	Can invest in Growth or Value	Can invest in Small, Mid or Large caps	Focus on tomorrow's groundbreaking technologies

ELEVA Sustainable Impact Europe's (ESIE) mission is to generate **attractive risk-adjusted returns while intentionally investing in European listed companies that contribute to the achievement of the SDGs through the products and services they sell.**

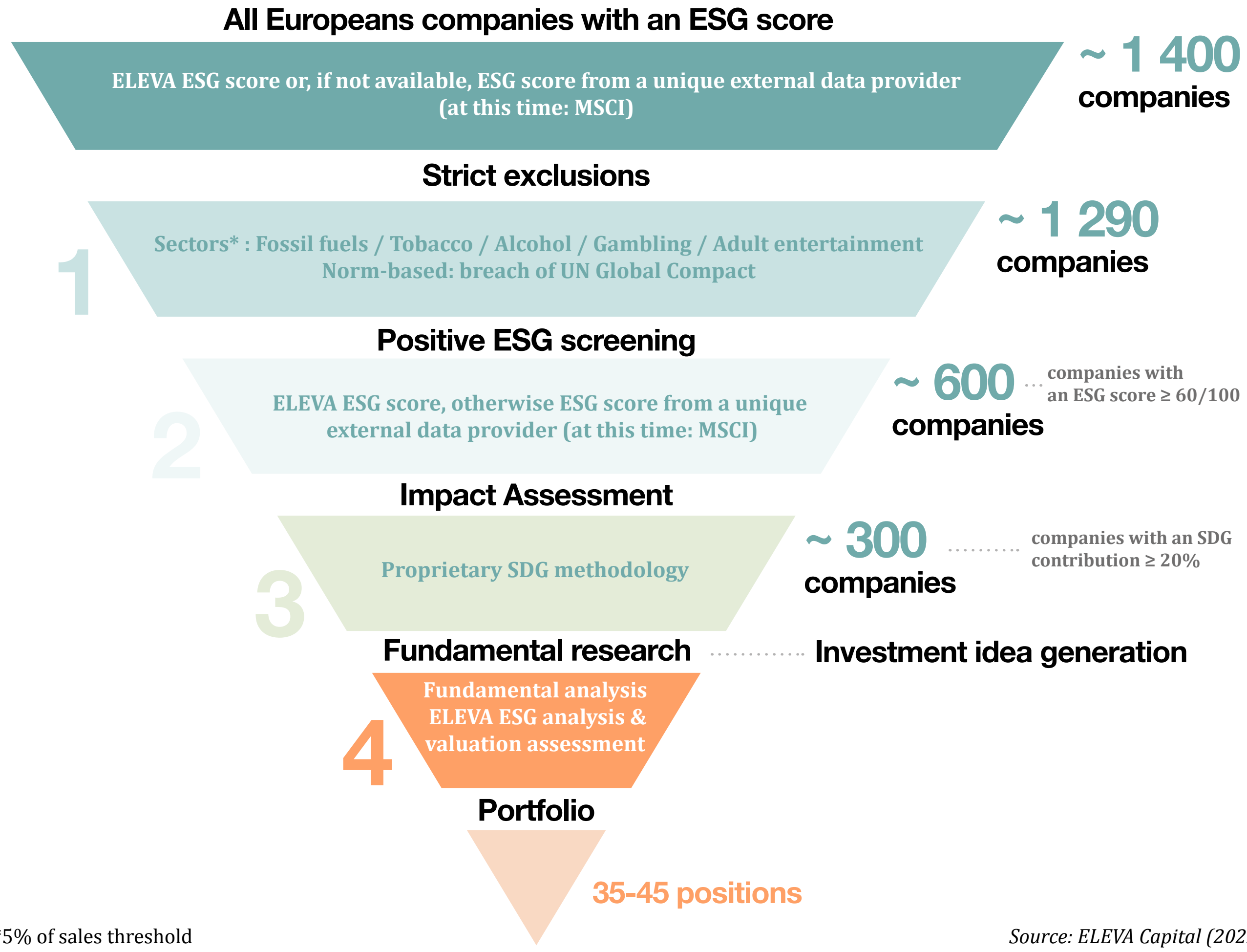
The ESIE fund shares the unique and disciplined investment philosophy of ELEVA Capital. This conviction-based management uses a bottom-up approach for stock selection, with an active, flexible, and pragmatic style. We consider ESG criteria as an integral part of the fundamental analysis of the companies in which we invest. In addition, within our impact investing strategy, we aim to highlight new facets in our investment cases and, especially, their contribution to solving social or environmental challenges. **This fund is an Article 9 fund under the SFDR Regulation and has received the French SRI label and the Belgian Label Towards Sustainability.**

Companies in the ESIE portfolio must have responsible practices vis à vis their stakeholders and contribute to one or several Sustainable Development Goals (SDGs)[6] through the products and services they sell. These products and services, in turn, generate positive and concrete impact in the real world.

The investment process of this fund has three binding non-financial filters that are applied before the financial filters. These filters reduce the initial investment universe. They are summarized as follows:

6 - United Nations: Department of Economic and Social Affairs. Sustainable Development Goals : https://sdgs.un.org/

ELEVA SUSTAINABLE IMPACT EUROPE INVESTMENT PROCESS



*5% of sales threshold

Source: ELEVA Capital (2022)

1 Exclusion of companies having essentially negative impacts

Investment processes built around exclusions are debatable. However, we believe this is a must in our ELEVA Sustainable Impact Europe fund **to ensure consistency with our claim to invest in companies generating positive impacts.** We therefore exclude companies in violation of the UN Global Compact Principles or in activities/sectors that go against the achievement of the UN Sustainable Development Goals.

2 ESG profile of invested companies

The initial universe of the ESIE fund is composed of listed companies having their registered office in Europe and having an ESG rating (source ELEVA Capital or failing that MSCI). By selecting companies with good ESG practices, we intend to give preference to companies that have good risk management. **A robust ESG profile can significantly contribute to the financial success of companies.** This also ensures some consistency in the investment philosophy: we expect impact companies to be exemplary when it comes to having responsible behaviour.

SHAREHOLDERS	PLANET	EMPLOYEES	SUPPLIERS	CIVIL SOCIETY
• Quality of management team • Quality of the board • Quality of the relationship with shareholders	• Climate change • Energy management • Water management & Biodiversity • Environmental impact of products	• Quality of HR management • Employer brand equity • Employees retention • Safety and security	• Level of risk embedded in the supply chain • Supply chain risk management and control	• Customers relationship • States relationship • Local communities' relationship

Source: ELEVA Capital (2022)

We have developed a **proprietary ESG rating methodology** based on the analysis of companies' relationships with all their stakeholders (Shareholders, Employees, Suppliers, Civil Society, and the Planet). This proprietary ESG methodology is based on the double materiality philosophy and has been inspired by major international standards (e.g., SASB's materiality Map®) and the findings of many academic studies that have tested the relevance of a number of ESG criteria and their correlation with corporate financial performance over the years. Each company is analyzed on ESG criteria according to the ELEVA Capital methodology prior to the investment and a company must have a minimum ESG score of 60/100 to enter the portfolio. More information on our methodology can be found in our Transparency code, available here:
https://www.elevacapital.com/en/our-responsible-approach#for-further-information

The fund monitors several ESG KPIs, two of which (carbon intensity and proportion of UN Global Compact signatories) are binding, as per the requirements of the French SRI label.

3 Impact assessment

Finally, the impact assessment allows us to **select companies that directly contribute to the UN SDGs.** The positive contribution of each company is measured by calculating the proportion of revenue generated with products or services aligned with a list of activities that contribute to the achievement of the SDGs. To be eligible for the portfolio, a company must generate at least 20% of its revenue from this type of product or service. A negative contribution, if any, is deducted from the positive impact revenues and the 20% threshold applies to this net figure.

4 Fundamental research

After the first 3 steps of our investments process (exclusions, positive ESG screening, impact assessment) comes the fundamental analysis of companies and the stock picking to build the portfolio. **We analyse companies' strategic position and ambitions,** while meeting on a regular basis with management teams to discuss their strategy and targets. We also talk with experts to help us understand companies as much as possible. We then model the financial trajectory for the next 36 months, perform a valuation and define a price target. If a company meets all our criteria, then we consider initiating a position. This **process is enhanced by the ELEVA Capital Index,** a proprietary index helping to build the portfolio towards a more or less cyclical / defensive positioning depending on market conditions.

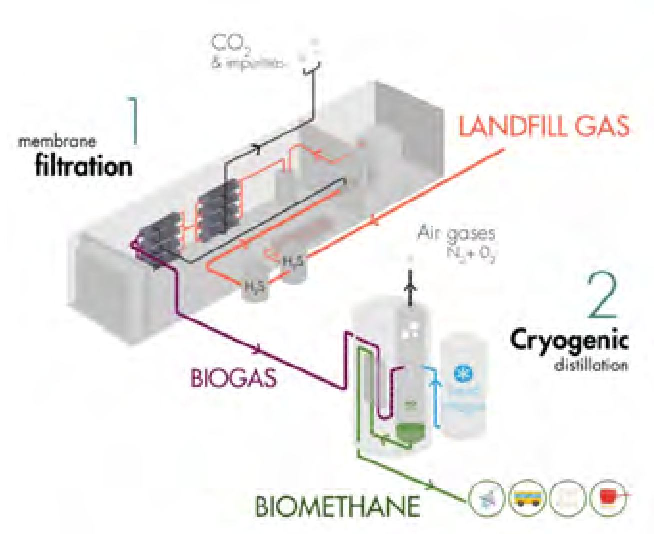
Site visits allow us to gain a comprehensive understanding of a company beyond the numbers, thereby making informed investment decisions, assessing risks, and potentially identify opportunities that may not be apparent through traditional analysis. This is also an opportunity to assess the company's facilities, infrastructure, and production processes, which can **give insights into its competitive advantage,** efficiency, and potential risks. We try to organise site visits as often as possible.

The example of Waga Energy

Among our recent visits, we had the opportunity to visit Veolia landfill in Claye (a 300 hectares site in the East of Paris) on which Waga Energy has installed one of its big modules. Waga Energy was founded in 2015 by engineers from Air Liquide. The company – €600m of market capitalization at end 2022 –entered our Scale Up pocket in 2022. It has a 100% SDG exposure (SDG 7 : Clean Energy through the production of biomethane from landfills) and an ESG score of 62/100 as the company is relatively young and is being structured.

Waga Energy designs, builds, and operates landfill gas recovery and grid-injection projects. Membrane filtration removes carbon dioxide (CO_2) and impurities from landfill gas. The gas is then cryogenically cooled to isolate the methane (CH_4) from the oxygen (O_2) and nitrogen (N_2). Regardless of the composition of the raw biogas, the system produces 98% pure biomethane. It successfully recovers 90% of the methane contained in landfill gas, for energy yields that are three times higher than solutions where the gas is burned to generate electricity.

The visit reinforced our conviction about the vast market opportunity for Waga Energy in Europe and North America (thousands addressable sites in the world) and about the interest of the system from a client perspective (emissions improvement, 0 capex, revenues associated). Waga Energy owns and operates "only" 15 systems and is scaling up its positions that are capex intensive (a system cost is around €10/12m). We aim to accompany the management team in the development of the company and potentially provide them with capital if needed.



Source: Waga Energy

Photo: Waga Energy CEO explaining its process.
Source: ELEVA Capital (2022)

2022 review

2022 was marked by major geopolitical tensions (the invasion of Ukraine by Russia, growing tensions between China and the United States), an extremely unpredictable economic context for companies (soaring energy and raw materials prices, wage inflation, supply chains disruptions, lower consumer confidence, fears of recession, etc.) and monetary tightening policies by central banks aimed at countering the upward trend in inflation.

Given these challenges, **the European market decline was optically quite limited (-10%); 2022 was indeed a challenging year for sustainable investment with strong sectoral disparities** with sectors such as Oil/Gas (excluded from the fund) up 40% (+76% for oil equipment manufacturers), Tobacco (also excluded) up 26% or Defense still up 14%. On the other end of the spectrum, sectors such as Medtech (-37%), Technology (-29%), and Consumer Discretionary (-17%) suffered from a compression of their valuation multiples, a normalization of their operational performance post-covid or fears related to consumption for 2023.

In this context, the fund performance was negative (-18%) after the +20% posted in 2021. **Our investment process has not changed despite these headwinds.**

Source: Bloomberg. Past performances do not predict future returns

Among the strongest contributors were Novo Nordisk (Health & Well-being, world leader in diabetes treatments, +120bps), Astrazeneca (Health & Well-being, world leader in oncology treatments, +100bps), Spie (Climate Action, European leader in multi-technical services, +40bps) and Zurich Insurance (Health & Well-being, insurance +40bps).

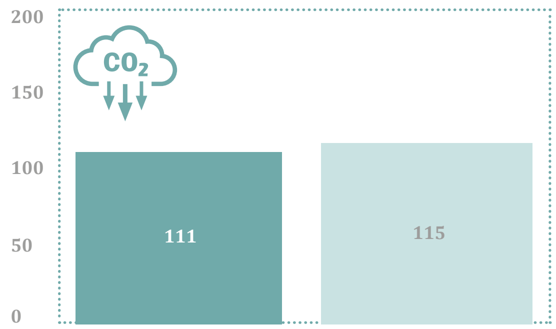
The main detractors were CapGemini (Tech for good, an enabler for the transition through technology, -120bps), DSM (Social Inclusion, ingredient manufacturer leader in animal and human nutrition, -105bps), Lonza (Health & Well-being, drug manufacturer for pharma/biopharma industries -100bps) and Aalberts (Green cities, providing solutions solving sustainability challenges such as water management and building efficiencies, -100bps).

The scale up pocket was a detractor to the performance in 2022 (-130bps). The top performer was Alfen (Green cities, electric grid specialist, EV charging) while the worst performer was Aker Carbon Capture (Climate actions, solution to capture CO_2 in hard to abate industries).

ESG performance

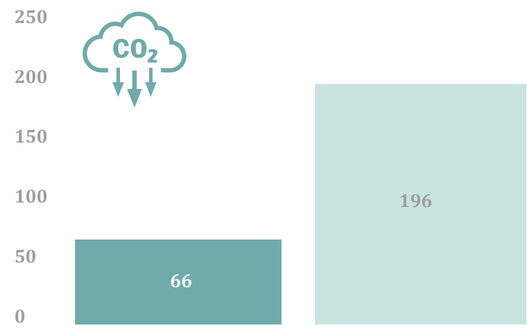
The fund monitors several ESG KPIs, two of which (carbon intensity and proportion of UN Global Compact signatories) are binding, as per the requirements of the French SRI label.

Average carbon intensity
(in tons of CO_2 equivalent per million € of sales)



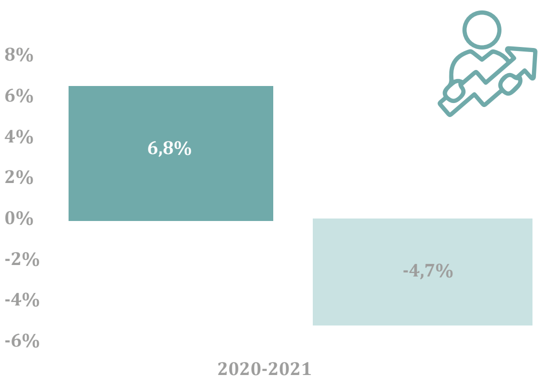
Source: MSCI (2022)

Carbon footprint
(in tons of CO_2 equivalent per million € of invested)



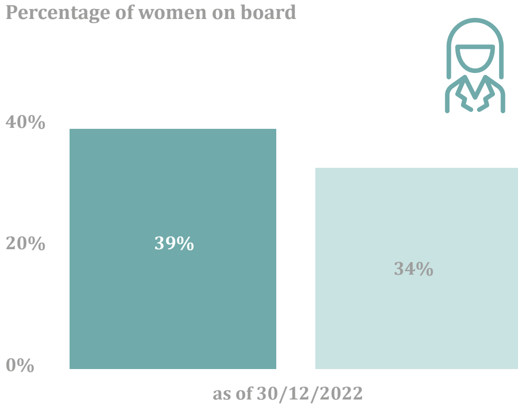
Source: MSCI (2022)

Growth in the number of employees



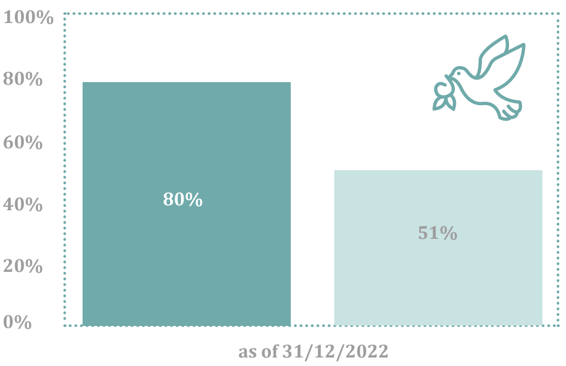
Source: ELEVA Capital (2022)

Percentage of women on board



Sources: MSCI, ELEVA Capital (2022)

Signatories of the United Nations Global Compact



Source: Global Compact (2022)

Binding ESG KPI

Fund

Initial Investment universe

Calculation methodology detailed in our Transparency code, section 6.2. available on our website

80% **of exposure to companies that are UN Global Compact Signatories**

100% **of companies in the financial sector are signatories of the UN PRI and 100% of banks are signatories of the UN PRB**

48% **of the portfolio is exposed to companies with SBTi-approved near-term emissions reduction targets**

An additional 16% are committed to set an SBT near-term emission reduction target

Intentionality: our impact process and methodology

Intentionality is key to impact investors as it showcases a **willingness to deliver positive outcomes for people and/or planet with the investment.** We understand that the SDGs reflect an international consensus that can suitably encapsulate an impact objective for the entire society and the planet, hence ELEVA's intent on impact is articulated on the positive contributions to the achievement of the SDGs by the companies in which the Fund invests. To better articulate our intentionality and show how the search for impact is embedded in both the selection process and the portfolio construction, we have developed the following impact thesis:

Impact context

We are half-way to the 2030 Agenda for Sustainable Development set by the United Nations which defined 17 Sustainable Development Goals. These goals were established to eradicate poverty, reduce inequalities, tackle climate change, and safeguard biodiversity. **Less than a decade is left, and we are far behind.** The pandemic, the war in Ukraine and the subsequent surge of inflation have been three incremental headwinds. As of 2020-2021, approximately 8.4% of the global population still lives in poverty, 9.8% faces hunger, and less than half has access to social protection. At the same time, the proportion of renewables in energy consumption is only 19%, the world's forest area is only 31% and global temperatures have already increased by 1.1°C since pre-industrial levels, making the 1.5°C as challenging as ever. All those figures are barely unchanged or even deteriorating versus 2015 (source: SDG Progress Report 2023). Achieving those ambitious goals will require investments of $7trn per annum from states, individuals and non-profit organisations but first and foremost from corporates and investors, as the ones able to deploy sufficient capital and resources. The achievement of the UN SDGs is also expected to generate $12trn of business opportunities.

Our strategy

The ELEVA Sustainable Impact Europe (ESIE) fund aims **to invest in listed companies which contribute, through their products and services,** to the achievement of the UN Sustainable Development Goals (UN SDGs). This impact thesis applies to all investments in the fund with the exception of cash. We only select companies that generate at least 20% of their revenues from solutions contributing to solve environmental or social challenges (this figure is net from any negative contribution). As such, they will benefit from the aforementioned business opportunities. We focus on SDGs for which we think corporates can have a contribution that we classify under 6 themes, 3 of which are related to environmental challenges and 3 to social issues.

Protect the Planet

- **Climate actions (SDGs 7, 13):** renewable energy, carbon capture, low carbon products…
- **Green cities (SDG 11):** sustainable transportation, waste management, building efficiency…
- **Water and natural resources (SDGs 6, 12, 14, 15):** water treatment, eco-designed products, product-as-a-service…

Promote Prosperity

- **Social inclusion (SDGs 1, 2, 4, 5, 8):** education, essential and affordable products, access to financial services…
- **Health and wellbeing (SDG 3):** medical treatments, medical devices, health insurance, road safety equipment…

- **Tech for good (SDGs 9, 16):** sustainable infrastructures, services to improve public institution efficiency, fight against cybercrime…

We believe companies offering solutions to the above challenges **will enjoy long term growth, benefit from governmental support and maintain an implicit licence to operate from consumers.**

Portfolio Structure

The ESIE fund pursues 2 objectives of equal importance:

1. **To invest only in companies generating a positive contribution** through their products/services to one or several SDGs and therefore qualifying as sustainable investment (as per SFDR)
2. **To achieve superior long-term risk adjusted returns and capital growth**

The UN SDGs are numerous and diverse, as is the variety of sectors that can contribute to them. This makes them a suitable framework for impact investing in listed equities. At ELEVA Capital, we decided to address the widest possible range of SDGs, which also enables the implementation of robust portfolio management, from a risk and diversification standpoint, the only caveat being that some sectors / activities are strictly excluded[7] . The fund is blend, meaning that we are agnostic to investment styles, giving us the ability to adapt to different market conditions. We firmly believe that companies that are part of the solution while minimizing their negative impacts should succeed, whatever their style. This, in turn, is expected to generate sustainable returns for our portfolio. Impact and returns go hand-on-hand, feed each other and this is why we consider both in the investment process.

ESIE invests in listed companies of any size. Positive impact is sometimes more obvious in small companies like the ones invested in the "Scale Up" pocket. They often bring disruptive potential through innovative solutions. However, it is obvious that addressing the most significant challenges such as climate change will also require the active participation and concerted efforts of the largest companies. Because these large companies have scale and financial muscles, they can actually deliver systemic impact.

In summary, the positive contribution to SDGs and strong ESG credentials are the common thread across all our investments. Our framework was designed to measure this contribution and all our investments are assessed through these lenses in the selection phase. At the portfolio level, we also set a target **to reach at least 40% revenue alignment to UN SDGs.** For all the other characteristics, we try to be as agnostic as possible. By doing so, we intend to attain our two objectives, i.e. deliver impact and financial returns.

Investor contribution

The UN SDGs are long-dated goals (2030). They are therefore consistent with a long-term investing philosophy. Given that we use a bottom-up stock selection approach, which can combine multiple equity styles in addition to impact characteristics, we manage the portfolio and all individual holdings on a multiyear time frame. **The fund seeks to be a long-term shareholder,** as long as this is compatible with its financial objective. As such, we define ourselves as patient investors.

As part of our additionality, we systematically engage on ESG or impact topics with all investee companies to help them improve on their sustainability journey (i.e. minimise negative impacts) and push them to maximise their positive impact. We track the progress they make over time.
For companies in the Scale Up pocket, we tend to go beyond engagement. We can invest in less liquid stocks such as small-cap companies. We support their growth by providing capital when needed and as long as our financial criteria are met.

An illustrative deep-dive into the impact intentionality of ESIE can be provided by its ESG and impact screening process structuring the selection of its investments.

7 - For the full list of exclusions please refer to ELEVA Capital's Transparency Code, available on our website.

Our ESG screening process

Investee candidates for ESIE must first undergo a robust ESG screening criteria whereby only companies with an ESG score ≥ 60/100 are eligible for investments. This ESG score is underpinned by a robust analysis of the relations of **each investee company with the 5 stakeholders identified in our proprietary ESG methodology:** Shareholders, Employees, Suppliers, Civil Society, Planet. For each sector, our materiality matrix, informed by the concept of double materiality, sets the weighting of each of these stakeholders and of their sub-criteria. This analysis materialises in an ESG score, ranging from 0 to 100, which includes a penalty for controversies, when applicable, of up to 20 detracted points.[8] This first screening process reduces the initial investment universe by more than 25%, as required by the French and Belgian SRI labels.

The three best ESG ratings of the fund

	Sector	Size	ESG Score
ASML HOLDING NV	Semiconductors & Semi Equipment	Large	84
SCHNEIDER ELECTRIC SE	Electrical Equipment	Large	80
RELX PLC	Professional Services	Large	79

The three worst ESG ratings of the fund

	Sector	Size	ESG Score
CARBIOS	Materials	Scale Up	61
STMICROELECTRONICS NV	Semiconductors & Semi Equipment	Large	61
WAGA ENERGY SA	Energy	Scale Up	62

Source: ELEVA Capital (2022)

Picking companies contributing to the SDGs

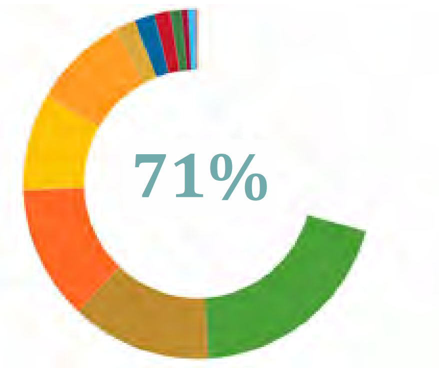
The Impact filter is then applied. To be eligible, a company must also generate at least **20% of its revenues with products / services contributing to the UN SDGs.** The investment team has also set an ex-ante target of a minimum revenue contribution of **40% to the SDGs at the portfolio level,** meaning that this impact criteria influences the portfolio construction. As of December 31, 2022, the revenue contribution of the portfolio amounted to 71%, largely exceeding the ex-ante target for the Fund's portfolio.

Investee companies must have a minimum **20%** revenue alignment with the SDGs to be eligible for investment	**40%** minimum revenue alignment with the SDGs for the overall portfolio	**15 SDGs** (out of the 17) targeted in ELEVA Sustainable Impact Europe	**100%** of companies assessed before investment on their positive contribution to the SDGs	All these indicators are monitored daily by the Risk team and when deviations occur, the fund managers have some time leeway to dispose of the position while ensuring the best interests of shareholders.	**71%** revenue contribution to the SDGs of the overall portfolio	Largest contributions made to **SDGs 3, 7, 11 and 12**

Source: ELEVA Capital (2022)

8 - For more information on ELEVA's proprietary ESG methodology, its exclusion policy, the selection of portfolio companies, please consult ELEVA's Transparency Code and the ESG Annual report, both available here: https://www.elevacapital.com/en/our-responsible-approach#for-further-information

The positive contribution of each company is measured by calculating the proportion of revenue generated with products or services that are aligned with a list of activities that contribute to the achievement of the SDGs. The negative contribution, if any, is deducted from the positive impact revenues and the 20% threshold of revenue alignment applies to this net figure.



Exposure to SDG in % of revenues : 71%

- 1 — 0,1% - No poverty
- 2 — 1,9% - Zero hunger
- 3 — 19,8% - Good health & well being
- 4 — 1,5% - Quality education
- 5 — 0,3% - Gender equality
- 6 — 0,5% - Clean water & sanitation
- 7 — 8,9% - Affordable & clean energy
- 8 — 0,5% - Decent work & economic growth
- 9 — 12,4% - Industry, innovation, infrastructure
- 11 — 8,9% - Sustainable cities
- 12 — 13% - Responsible consumption & prod
- 13 — 1,0% - Climate actions
- 14 — 0,0% - Life below water
- 15 — 0,0% - Life on land
- 16 — 1,9% - Peace, justice, strong institutions
- 0 — 29,3% - No exposure to SDG

Source: ELEVA Capital (2022)
Calculation methodology detailed in our Transparency code, section 6.2. available on our website.

ELEVA Sustainable Impact Europe classifies as Article 9 under SFDR

ELEVA Sustainable Impact Europe holds the **French SRI label** and is the only ELEVA Capital fund to be categorized as **Article 9** under SFDR, which testifies to a strong willingness to deliver positive outcomes for people & planet. In accordance with the French SRI label, the fund is committed to show a better performance than its universe on two binding ESG performance indicators. These are: the weighted average of portfolio carbon intensity, and the share of signatories to the UN Global Compact. Furthermore, in 2022 the fund received the **Belgian "Towards Sustainability"** label.

The SFDR (Sustainable Finance Disclosure Regulation) was introduced in 2021 to improve the transparency of sustainable investment products and prevent greenwashing. Article 9 funds are the most demanding category of funds, those that have sustainable investment as their main objective or considered "dark green". Our rationale behind this classification is that ELEVA Sustainable Impact Europe invests a minimum of 80% in sustainable assets (the rest being only cash), with a minimum of 40% weighted-average turnover contributing to the SDGs at the portfolio level. The Principal Adverse Impacts (PAI) indicators listed by SFDR are considered at the fund level, either quantitatively (through our exclusion policy and our ESG binding performance criteria) or qualitatively (through our ESG analysis).

Our definition of sustainable investment: Pass or fail approach

DNSH

- **Exclusion** of sectors causing **significant negative impacts to the environment or society** (tobacco, alcohol, fossil fuels...)
- Selection of companies with **good ESG practices** (ESG rating ≥ 60/100)

Good governance

- **Exclusion** of companies that **have violated major international conventions***
- Selection of companies with **good governance practices** (G score ≥ 50/100)

Positive contribution

- Companies achieving **≥ 20% of sales with products/services contributing positively to the SDGs...**
- ...after deducting the turnover realized with products/services contributing negatively (if applicable)

*UN Global Compact principles, UN guiding principles on Business and Human Rights, companies having violated ILO (International Labour Organisation), OECD Guidelines for Multinational Enterprises

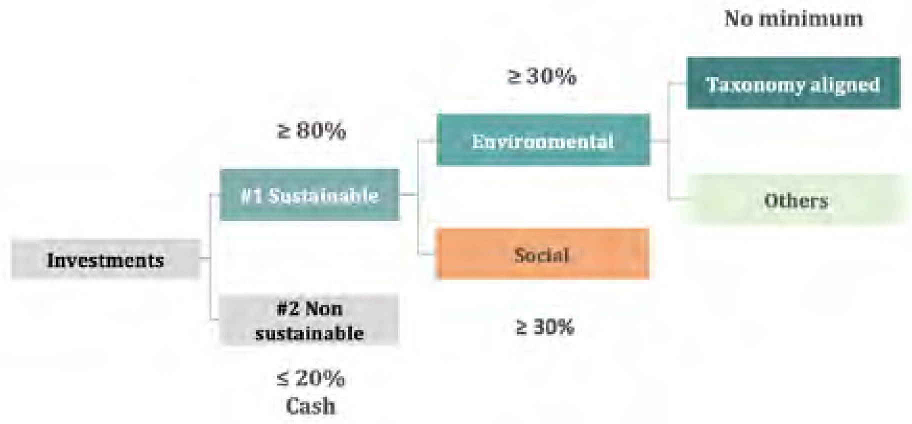
How the fund meets the requirements of its SFDR category

Sustainable invt objective

Invest in companies that provide solutions to the **major environmental and social challenges as defined by the SDGs**

- **Minimum 80% sustainable investments**
- **Minimum 40% weighted average turnover contributing to the SDGs**

Asset allocation



PAI

PAIs considered at fund level:

- **Either quantitatively** (exclusion, binding ESG performance criteria)
- **Or qualitatively,** through ESG analysis

Alignment with the Environmental Taxonomy of the EU

The European Taxonomy defines a list of activities contributing substantially to at least one of the 6 environmental objectives defined by the Taxonomy. Companies' revenues can be aligned with the Taxonomy, provided they don't do any significant harm to the other environmental objectives, while respecting minimum safeguards for human and labour rights. Since at this point in time, ELEVA Sustainable Impact Europe Fund is unable to provide reliable figures on this alignment because companies are not yet required to report their level of alignment, we are not reporting the taxonomy alignment of the fund this year. Nonetheless, we follow closely the developments of the European taxonomy, and we will make sure that once we have reliable data from companies on that topic, we will report on our alignment with the taxonomy and consider setting a target of minimum Taxonomy alignment.

PAIs and ELEVA Sustainable Impact Europe

In terms of the Principal Adverse Impacts (PAIs) required by SFDR, the Sustainable Impact Europe Fund takes into consideration the 14 compulsory PAI indicators as set out in the regulation, plus 2 additional ones from the two clusters: investments in companies without carbon emissions reduction initiatives (climate cluster), and investment in companies without workplace accident prevention policies (social cluster). This stance is summarized below:

PAIs	Considered in a quantitative way	Considered in a qualitative way	Engagement
3: GHG intensity of investee companies	×		Maximum exposure or thresholds in place (through strict exclusion or through the binding ESG key performance indicators)
4: Exposure to companies active in the fossil fuel sector	×		
10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	×		
14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	×		
1: GHG emissions		×	Through the criteria analysed in the ESG analysis
2: Carbon footprint		×	
5: Share of non-renewable energy consumption and production		×	
11: Lack of processes and compliance mechanism to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises		×	
13: Board gender diversity		×	
Investments in companies without carbon emissions reduction initiatives (climate cluster)		×	

PAIs	Considered in a quantitative way	Considered in a qualitative way	Engagement
investment in companies without workplace accident prevention policies (social cluster).		✕	Through the criteria analysed in the ESG analysis
7: Activities negatively affecting biodiversity sensitive areas	Considered only when data is available		Engagement on such topics may be conducted with investee companies to improve disclosure
8: Emissions to water			
9: Hazardous waste and radioactive waste ratio			
12: Unadjusted gender pay gap			

Furthermore, given the current international geopolitical situation and in order to provide transparency on our investments, we have conducted an assessment of our investee's activities in Russia and classified them into 6 categories: no operations in Russia, withdrawn from Russia, temporary suspension of the activities in Russia, scaling back from Russia, stopped expansion in Russia and business as usual in Russia. With a coverage rate of almost 100% of the portfolio, we found that 72% of our investees have no or no more operations in Russia. Among those who still do, the great majority have scaled down their operations or stopped their expansion. Only one company is continuing its operations as business as usual, which can be explained by the fact that it is a pharmaceutical company.

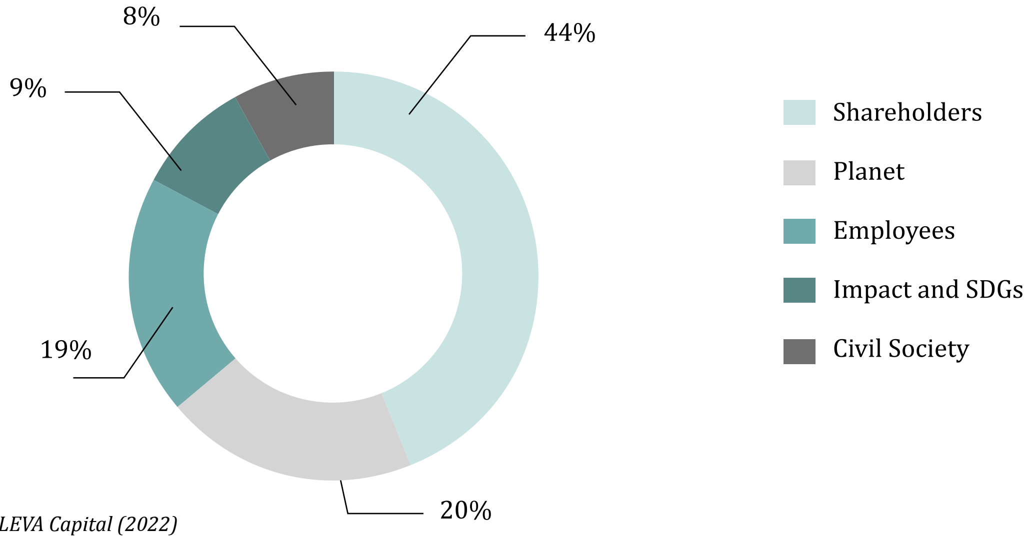
Climate: our investees' intentionality towards reducing their emissions

In 2022, **53% of the portfolio is invested in companies having a near-term (i.e next 5-10 years) emission reduction target approved by the standard-setter Science-Based Target Initiative (SBTi)** and an additional 17% were committed to set a Science-Based Target/SBT. This means in the SBTi methodology that they have submitted a target to be validated by the initiative within 24 months. For instance, SPIE SA, a multi-technical services company in the areas of energy and communications has an approved 1.5°C near-term target. It specifically aims at reducing its scope 1 and 2 emissions by 25% by 2025 compared to 2019 and to reduce absolute scope 3 GHG emissions from business travel and employee commuting by 20% over the same timeframe. SPIE has taken the commitment that 67% of its suppliers by emissions covering purchased goods and services, capital goods, fuel and energy related activities and waste generated in operations will have science-based targets by 2025.

The following graph presents ELEVA Sustainable Impact Europe portfolio broken down by companies' SBT commitment type.

For further information about the SBT initiative, please visit: https://sciencebasedtargets.org/

Portfolio breakdown by type of commitment (in % of assets)



Source: ELEVA Capital (2022)

Additionality: unlocking impact potential through engagement

Additionality is probably **the most challenging pillar when it comes to impact investing in the listed equities space.** Additionality refers to the positive impact attributable to our action as impact investors that would otherwise not have occurred. We endorse the definition set by FIR and France Invest (March 2021): "Additionality is the specific and direct action or contribution of the investor that enables the investee company or the project financed to increase the net positive impact generated by its activities."

For the ELEVA Sustainable Impact Europe fund, we address additionality in two main ways:

- We proactively and systematically **engage with all investee companies** to help them pay more attention to ESG issues and SDG contributions. In 2022, we put more emphasis on impact as an engagement theme, following one of the recommendations expressed by Stone Soup in the 2021 Impact report. Over time, we believe this helps them to maximize their positive impact and/or reduce their negative impacts.
- For companies in our Scale Up pocket (€3bn market capitalization), which offer innovative products that have the potential to generate a systemic impact - **engagement takes on a special dimension** as those companies are in their infancy when it comes to adopting proper ESG practices and documenting their positive impact. By sharing the conclusions of our ESG analysis we can help them improve disclosure, reporting, and behaviour. But we can also go beyond that and provide financing. These innovative companies may need to raise capital to fund start-up losses or new investments in equipment or R&D. And we are by their side to participate in their capital raises when they meet our financial criteria. In line with ELEVA Sustainable Impact Europe's intention to help finance a fairer and more sustainable economy, up to 10% of the portfolio is dedicated to our Scale Up pocket.

100%
of invested companies have been individually engaged

49 AGM
voted in 2022 i.e. a
100%
participation rate

Opposition rate of
18,3%
on a total of
902
votable resolutions

Engagement policy & actions

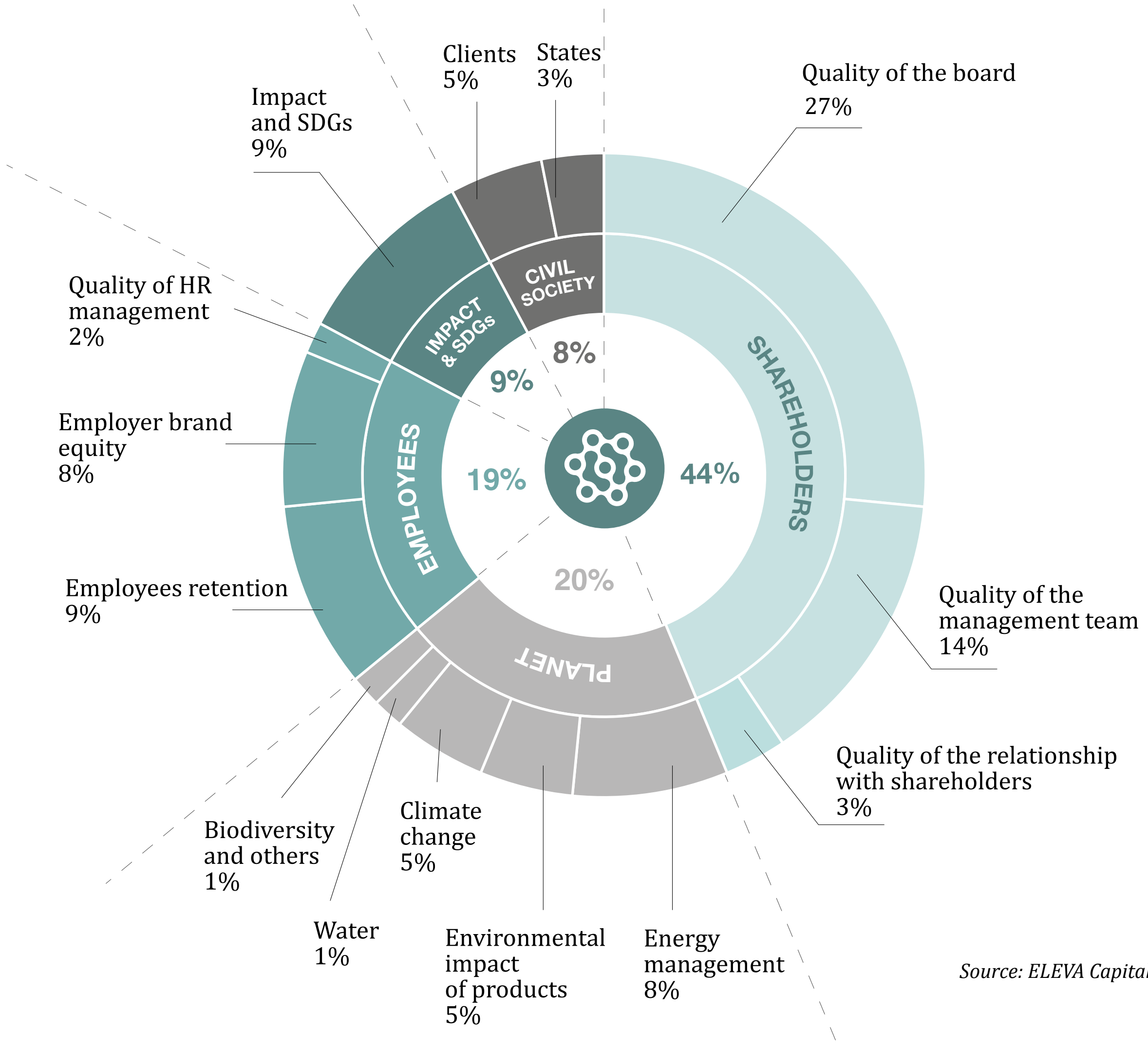
Establishing a constructive dialogue on ESG and impact matters with investee companies is an integral part of our investor responsibility and a way to demonstrate our additionality. We are convinced that companies that make progress on these topics improve their risk management, and thereby become more attractive employers, more resource efficient and more appealing to their consumers, giving themselves the means to improve their financial performance.

Each internally conducted ESG and impact analysis allows us **to identify a company's strengths and weaknesses.** This is the starting point for a focused and relevant engagement. Following each analysis, we share with investee companies areas of improvement on which we encourage them to progress. These are concrete actions, focusing on material issues for the company which we can monitor over time.

We seek to encourage companies to be more transparent and influence their behaviour towards best practices. To the extent possible, we set **realistic, measurable and time-bound objectives.** This allows precise monitoring over time and ensures that the impact of our engagement is measurable. Updating the ESG analysis at least every two years helps to identify whether the engagement has borne fruit. Besides establishing this dialogue with each investee company through meetings, calls and emails, we also systematically exercise our voting rights at its annual shareholders' meeting.

We have engaged with 100% of our investees since fund inception and in 2022, we have shared with 22 companies a total of 64 new engagement topics. The following pie chart shows the breakdown of engagement by category.

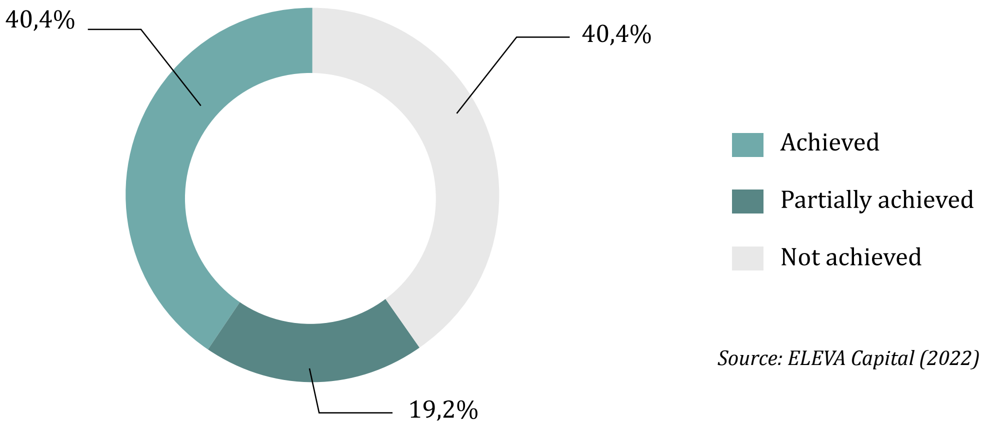
Breakdown of new engagement topics by theme in 2022



Source: ELEVA Capital (2022)

For the first time in 2022 we were also able to report on the outcomes of our past engagement activity, conducted in 2020 and 2021, **or a total of 52 engagement topics with 19 companies,** with on average 2 to 3 engagement topic per company. Topics of engagement ranged from governance issues (reducing the size of the board, increasing the level of independence of the audit committee, separating the role of the chairman and the CEO, bringing more diversity to the board, etc.) to social and environmental ones (increasing employee training, increasing consideration of collective bargaining and other working conditions, signing the UN Global Compact, measuring scope 3 emissions entirely, setting targets on energy efficiency, etc.). 21 engagement topics shared with companies have been successfully achieved, or 40.4% of the total. 10 or 19.2% are partially achieved and 21 or 40.4% are not yet achieved at the time of publication of this report. Naturally, the successful or partially successful status of an action cannot be fully attributed to our sole engagement, as many other shareholders may have conducted similar engagement. These results should therefore be read as the outcomes of likely a collective process. When an engagement topic is not achieved, we have 2 options. If we believe the engagement topic is still relevant, we can re-conduct the same engagement for another period of 2 years. If we think another engagement topic might now be more appropriate, we can let the former go and focus on the new one

Status in 2022 of past engagement topics (2020-2021)



Source: ELEVA Capital (2022)

Case study: our engagement with Croda International Plc

Croda International is a focused Life Sciences and Consumer Care company with headquarters in the UK. It helps its customers worldwide by providing the highest quality health care solutions, protecting crops and enhancing seeds with a growing range of technologies aligned to global health and crop sustainability needs. As Croda's investor we were particularly interested in improved disclosures on employees' health and safety metrics to be able to compare figures with peers within the industry. We also engaged with Croda on improving the geographic diversity within its Board of Directors and encourage the company to sign the UN Global Compact. All these 3 topics have been successfully achieved to date. They disclosed the actual total recordable injury rate on top of the 2024 target on this metric, which helps to follow the progress, there is now 3 non-British board members (versus only one 2 years ago) and Croda signed the UN Global Compact mid-2021.

Case study: Voting a climate resolution at Elis

Elis is an international multi-service provider, offering textile, hygiene and facility service solutions. The circular economy is an integral part of Elis's business model. The Group offers its customers with long-lasting products that are maintained, repaired, reused and re-purposed so as to maximize their use and lifespan. With this in mind, the Group applies durability criteria when selecting its products to ensure they are fit for several cycles (textile washing or rotations in general) and has repair or reconditioning workshops (for example, water coolers, hygiene appliances and mats). 88% of the Group's revenue in 2022 was based on the product as a service business model (selling the use of a product, instead of selling the product itself). In May 2022, the management of the company presented to its shareholders its ambition to articulate, by the end of the year, targets for reducing its greenhouse gas emissions in line with the Paris Climate Agreement to help keep global warming below 1.5°C compared to pre-industrial levels. We voted in favour of this climate resolution. We supported this resolution because we believe that the targets set for 2025 are ambitious, realistic and that the progress made to date gives comfort on the fact that they will be met. Since then, they have submitted their new targets to SBTi and are now waiting for their validation.

In 2022, our ambition as an impact investor was to start engaging with investee companies on more specific impact-related topics and this is what we did. So far, **we have engaged with 10 companies on impact-related topics,** asking them for instance to be more specific on their products affordability, the environmental impact of their products, the number of products donated or to try and measure the proportion of products that contribute to the SDGs.

Case study on impact engagement: SPIE

SPIE is an independent European leader in multi-technical services in the areas of energy and communications. It operates in four strategic markets: Smart City, E-fficient buildings, Energies and Industry services, and supports its costumers in making the energy transition and sustainable digital transformation a success. The company is already quite exemplary, being one of the first in Europe to disclose its taxonomy alignment. To go even beyond we have asked them to report on the impact of the taxonomy aligned revenues, for instance on the CO_2 emissions avoided or saved by their clients thanks to their services.

More information on our voting and engagement policy can be found here:

https://www.ELEVAcapital.com/en/our-responsible-approach#for-further-information

Our Scale Up investments pocket: supporting tomorrow's winners by being an active shareholder

The aim of the Scale up pocket is to invest in small companies (<€3bn in market capitalization), which offer breakthrough products or technologies that have the potential to generate a "systemic impact" in case of success. By "systemic impact" we mean that these companies' products and services may positively affect how their whole industry functions[9], providing game-changing solutions. Through this Scale Up pocket, we can demonstrate a higher degree of additionality as investors.

We are thus prepared **to support our Scale Up companies over time and to help finance their capital needs if need be.** Being an active shareholder is especially important for those companies. For them, we often go one step further in our systematic engagement activities on ESG and impact topics and participate in their capital raise. In 2022 none of our Scale Up companies launched a capital increase. We nevertheless remain committed to support them in their capital raise on a case-by-case basis in the future.

Stringent risk approach	Innovative by nature	Additionality
Pocket size: Up to 10% of the fund Position size: Small (1-2%) Deeper due diligence	**Break-through technology providers Innovative services**	**Extensive engagement, including on ESG matters where these companies typically still have room for improvement. Supporting capital needs (capital increase or IPO)**

In 2022, our Scale Up pocket counts 5 companies .

WAGA ENERGY | AKER CARBON CAPTURE | ALFEN | CARBIOS | AFYREN

Focus on Carbios

Carbios is the first and only company in the world to have developed an enzymatic process that infinitely recycles plastics and textiles. Carbios' enzymes depolymerize all types of PET, allowing the production of 100% recycled and 100% recyclable PET products without loss of quality. Carbios is a major player in the circular economy. The company has also developed Evanesto, an enzyme-based additive which makes PLA (polylactic acid, a plant-based plastic) 100% compostable, including in home compost.

Additionality:

Engaging with the company

In 2022, we re-engaged with Carbios on 3 different topics. First, on the quality of the board, to increase its independence. Second, on the quality of the management team, to provide more transparency on the remuneration criteria and to include the Total Shareholder Return as a KPI, and finally on climate change, for Carbios to set environmental targets on its own operations.

9 - International Labor Organisation (ILO). Systemic Change: walking the talk?: https://www.ilo.org/empent/areas/value-chain-development-vcd/briefs-and-guides/WCMS_718092/lang--en/index.htm

Focus on Aker Carbon Capture

Aker Carbon Capture is a pure-play carbon capture company with solutions, services and technologies serving hard to abate industries, including the cement, bio and waste-to-energy, gas-to-power and blue hydrogen segments. Aker Carbon Capture's proprietary carbon-capture technology offers a unique, environmentally friendly solution for removing CO_2 emissions.

Additionality:

Engaging with the company

We are currently engaging with Aker Carbon Capture on 3 different topics. First, we would like the company to be more granular on disclosure about its management remuneration scheme. Second, on the board composition, we would welcome an improvement in the geographical diversity of its board members. Finally, we push the company for providing more information on their supply-chain management.

Focus on Waga Energy

Waga Energy is a 2022 addition to our portfolio. It was founded in January 2015 in Grenoble, France, by engineers from Air Liquide. The company draws on its unparalleled gas engineering expertise to develop biomethane injections projects serving the energy transition. Biomethane is a carbon-neutral gas that can substitute fossil-based natural gas. **It is obtained by purifying the biogas produced by the decomposition of organic matter like plant material, agricultural and industrial waste, household waste, and wastewater treatment sludge.** More about Waga Energy in the "ELEVA Sustainable Impact Europe in brief" section.

Additionality:

Engaging with the company

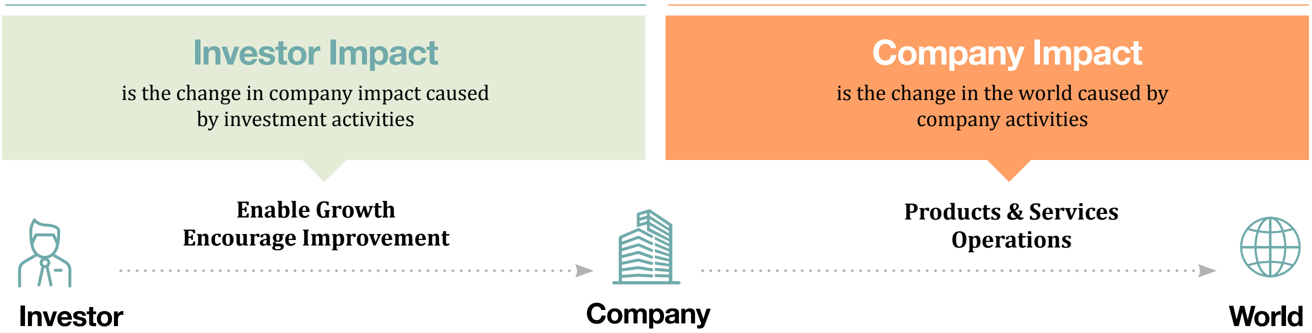
We are engaging Waga Energy on 3 different topics. First, we believe the quality of the board could benefit from the addition of a former CEO or CFO of a listed company. Second, we would like Waga Energy to disclose information on its own emissions and set renewable energy targets. We are also asking them to disclose their anti-corruption policy online and put more emphasis on this matter in their ESG documentation.

ELEVA Sustainable Impact Europe: contribution to the SDGs

To screen companies' SDG contribution, ELEVA Capital groups the SDGs around two thematic clusters: **Promote prosperity** and **Protect the planet.** Each of these thematic clusters encompasses 3 broader themes.

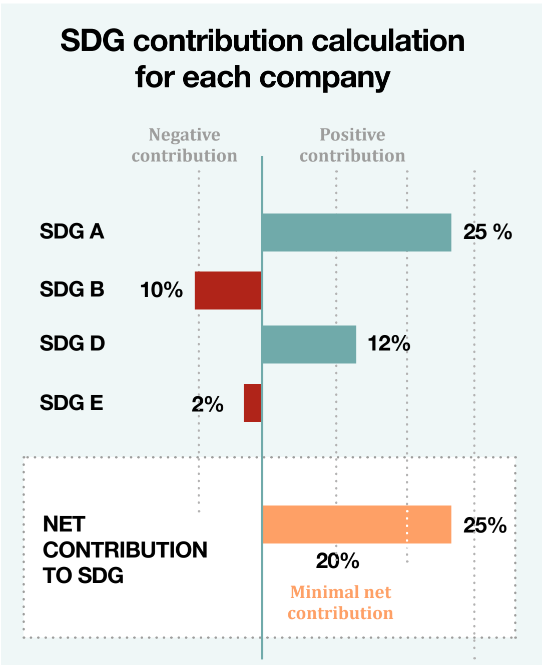
Measurement: making our impact tangible for our investors

What Is Investor Impact?



Source: Florian Heeb & Julian Kölbel: University of Zurich (2021)[10] .

This section focuses on our investee's impact. To ensure transparency and accountability, starting in 2021, we began to report on the contribution of our investee companies to UN SDGs and, where possible, on the impacts those companies have. Using our proprietary SDG methodology, companies' impact is measured as the proportion of their revenues aligned with the SDGs. This is a net turnover threshold, as we deduct from this percentage the portion of turnover achieved with products having essentially negative impacts. This indicator is expressed as a percentage (our SDG Score) and corresponds directly to the percentage of net sales, calculated as mentioned above.



The companies' SDG scores guide ELEVA's investment decisions

Assessment of SDG contribution considers both positive and negative externalities

First impact report in 2021

SDG contribution verified by the external verification party Stone Soup Consulting

We have contracted Stone Soup Consulting, a B-Corp certified independent consulting company to verify the data we have collected or estimated. This impact-driven organisation has verified the SDG data from ELEVA Capital's proprietary SDG framework is as consistent and accurate as possible, bearing in mind that only a few companies properly disclose their UN SDG contribution.

10 - The Investor's Guide to Impact: Evidence-based advice for investors who want to change the world: https://www.csp.uzh.ch/dam/jcr:ab4d648c-92cd-4b6d-8fc8-5bc527b0c4d9/CSP_Investors%20Guide%20to%20Impact_23_9_2021_spreads.pdf

Promote prosperity

In every country, some groups of people are faced with barriers that prevent them from accessing essential services and resources such as affordable housing, quality food and education, or financial services. Vulnerable groups struggle to remain connected, to have decent economic prospects and to access to products and services that will preserve or improve their health. In this context, putting the individual at the core of investment decisions is essential to promote prosperity for all.

Social Inclusion

Health and well-being

Tech for Good

1. Social inclusion

4,5% **of portfolio revenues alignment**

SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Quality, safe, and nutritious food is the basis to a healthy and sustainable lifestyle, but factors such as composition, spoilage, colorants, additives, nutrients, flavourings, and contamination increasingly affect the quality of consumer products used in our daily lives. ELEVA Capital ensures through its investments that food supply chains – from seed to store shelf — respect the highest environmental and consumer protection standards so that they benefit local communities..

SDG Targets:

2.1 By 2030, end hunger and ensure access by all people
2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers
2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices

SDG 2 highlight: Improved nutrition

KERRY

Kerry Group is a **world-leading provider** of taste and nutrition solutions to the food, beverage, and pharmaceutical industries. The company has a critical role in helping its customers improve the nutritional profile of their products through a reduction of sugar, salt and fat. More than 80% of Kerry's product portfolio contributes to positive and balanced nutrition solutions. They target to reach 2bn people with sustainable nutrition solutions by 2030 vs 1.2bn in 2022. Their product range also includes food preservation ingredients to reduce food waste, a major challenge as 31% of all food produced is lost or wasted every year (source: UN).

1.2bn people
with positive and balanced nutrition solutions in 2022

80% **of Kerry's portfolio contributes to positive and balanced nutrition solutions**

Reduced food waste from operations by
32%

SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

SDG 5: Achieve gender equality and empower all women and girls

SDG Targets:

4.1 By 2030, ensure that all girls and boys complete free, equitable and quality education
4.3 By 2030, ensure equal access for all women and men to affordable and quality education
4.4 By 2030, substantially increase the number of youth and adults who have relevant skills
5.4 Recognize and value unpaid care and domestic work

SDG 4 & 5 highlight: Quality education and women empowerment

AcadeMedia

Academedia is the largest education company in Northern Europe, with an unwavering focus on education quality, and one of Sweden's largest education providers. Guided by the mission of "Change through Education," the company strives to ensure that all children and adult students reach the goals of their education, while also providing alternatives to unpaid care and domestic work through preschool facilities **(SDG Targets 4.1, 4.3, 4.4, 5.4).** In 2021 Academedia's training programs reached 180,000 students of all ages. In 2022 the number of students increased by 2.5% and that of children, by 3.0%, enhancing the impact on raising education standards and expanding education access.

200K+
Students of all ages

700+ learning centers in 3 countries (Sweden, Norway and Germany)

SDG 1: End poverty in all its forms everywhere

SDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

SDG Targets:

1.4 By 2030, ensure that all men and women have equal rights to economic resources, as well as access to basic services
8.3 Promote policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium sized enterprises
8.5 By 2030, achieve full and productive employment and decent work for all women and men
8.10 Strengthen the capacity of domestic financial institutions

SDG 1 & 8 highlight: Inclusive finance

BNP PARIBAS

BNP Paribas is the largest French and European bank. BNP Paribas is committed to expanding access to financial services and enhance financial inclusion. Small and Medium companies as well as microenterprises through its microfinance operations are a key recipient of the bank's financing. The Positive Impact Business Accelerator hosted by the bank also creates a more inclusive society by supporting business that deliver positive outcomes for people and planet via impact bonds and impact investing practices. At the environmental level, an important milestone in 2022 comprised the publication of the corporation's Net Zero Roadmap, thereby stepping up its commitment to a net-zero economy as a signatory to the Net Zero Asset Managers Initiative. BNP Paribas has also set clear financed carbon emissions intensity reduction targets. Its credit exposure to low carbon energy production is already 20% higher than that of fossil fuel. The bank targets that by 2030, 80% of its credit exposure to energy production will be low carbon.

€125 bn
in outstanding loans to SMEs

3m of low-income people provided with access to banking services

€2.3bn in Support for impact enterprises including microfinance institutions

2. Health & Wellbeing

19,8% **of portfolio revenues alignment**

SDG 3: Ensure healthy lives and promote well-being at all ages

With around 767m cases and 6.9m deaths globally reported to the World Health Organization, the Covid - 19 pandemic has revealed the vulnerabilities of our healthcare systems. Now that the pandemic is almost over key challenges remain for the sector, among them improving access to health products and services for all. ELEVA Capital invests in companies that are directly or indirectly involved in promoting health and well-being at all ages.

SDG Targets:

3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births
3.2 By 2030, end preventable deaths of newborns and children under 5 years of age
3.3. By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases
3.4 By 2030, reduce by one third premature mortality from non-communicable diseases
3.8 Achieve universal health coverage, including financial risk protection

SDG 3 highlight: Access to health care and vaccines

AstraZeneca: It typically takes a drug 12 years to reach the market, and half of that time is devoted to clinical trials. But unprecedented funding, strong collaboration between stakeholders, and advancements in R&D (among others), have allowed a massive **roll-out of covid vaccines throughout 2021 and 2022. In 2021, AstraZeneca directly participated in the process, supplying** *«about 2.5bn doses of COVID-19 vaccine to more than 180 countries during the year. Of these, approximately two-thirds went to low and lower middle-income countries, and more than 247m were delivered to 130 countries through the COVAX Facility»* (AstraZeneca Sustainability Report, 2021). While increasing access to life-saving treatments and patient-centric healthcare, the company has also worked to strengthen global healthcare by building more resilient health systems. In particular, AstraZeneca renewed in 2022 its support to the Sustainable Markets Initiative (SMI) Health Systems Taskforce and the Partnership for Health System Sustainability and Resilience, working in close collaboration with the London School of Economics and the World Economic Forum. In 2022, an interesting improvement concerned the total community investment amounting to $108m, a figure that includes philanthropy, sponsorships, partnerships and charitable donations. Many non-profit organizations were funded and supported by AstraZeneca with $12,1 m in product donations through patient & assistance programmes.

120m+
patients lives impacted by the medicines

Ranked 3 out of 20
in the Access to Medicine Index

$9.8bn
in R&D Expenditure in 2022

novo nordisk

Novo Nordisk is the world leading pharmaceutical company treating diabetes (its historical franchise) and obesity. In the 101 years since the discovery of insulin, there have been many advances in the treatment of diabetes, yet the number of people living with the condition continues to climb. **Beyond insulin, we believe Novo Nordisk's new therapies can continuously improve patient treatment through safer,** more efficient drugs. Affordability is a key issue for Novo Nordisk. Under its "Access to Insulin Commitment," Novo Nordisk "offer human insulin vials at a ceiling price of $3 to 76 countries, as well as to selected humanitarian organisations and UN agencies providing humanitarian relief" (Novo Nordisk Annual Report 2022). The Changing Diabetes in Children partnership (in 18 countries) has to date provided free care to nearly 32,000 children and youth living with type 1 diabetes in low- and middle-income countries. In 2022, close to 5.5m patients were reached through their access and affordability initiatives. For the affordability of the products, innovation has a key role to play: the company's heat-stable insulins, for example, will help to improve access in low and middle-income countries since they can be kept outside refrigeration for up to four weeks. The company also aims at expanding its commitment to rare blood and endocrine diseases: in 2022, it acquired Forma Therapeutics, a specialist in rare blood disorders.

36.3m
patients reached with diabetes care products

DKK24bn
in R&D expenditure in 2022

5.5m
patients reached through access and affordability initiatives

sartorius stedim

Sartorius Stedim Biotech is a provider of integral solutions to the biopharmaceutical industry. Sartorius Stedim's goal is to enable the development of new and better therapies and more affordable medicine. Even though single use technologies are often made out of plastics, they enable a 30% reduction of water and energy consumption. It is worth mentioning that the biopharma sector generates only 0.01% of global plastic waste. In 2022, Sartorius Stedim spent €132,4m on R&D, corresponding to an increase of 20% compared to the previous year.

€132.4m
in R&D expenses in 2022

3. Tech for good

14,3% **of portfolio revenues alignment**

SDG 9: Build resilient infrastructure, promote sustainable industrialisation, and foster innovation

Technology and innovation are the backbone of a competitive, digital economy, and can serve as a major catalyst to boost societies' resilience and recovery. In particular, IT infrastructure is the gateway for business growth opportunities and operational efficiencies. As investors, it is crucial to ensure that infrastructure and technology companies in the ELEVA Sustainable Impact Europe fund contribute to creating a better connected and more inclusive society, while appropriately managing cyber risks that they are exposed to. Technology companies also have a crucial role to play in bringing solutions to ecological challenges and increasing people's safety and security.

SDG Targets:

9.1 Develop quality, reliable, sustainable and resilient infrastructure
9.2 Promote inclusive and sustainable industrialization
9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable
9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries

SDG 9 highlight: Breakthrough innovation ecosystem

ASML

ASML Holding NV is the world leading manufacturer of lithography machines for the production of semiconductors. **Through breakthrough innovations that reduce the size of semiconductors and their energy consumption,** ASML's machines increase the value and lower the cost of a chip, thereby contributing to a smarter, more resource efficient and connected world. ASML's core production focuses on open innovation and circular economy and its production model is based on intense collaboration with its key stakeholders (e.g., customers, research partners, peers, and suppliers). This collaborative mindset and ASML's innovation philosophy enable the company to strengthen innovation and nurture young entrepreneurship in the semiconductor industry. For instance, ASML has supported startups and scale up projects, collaborated with research partners towards a more efficient use of resources, as well as enhanced scientific research and upgraded technological capabilities of industrial sectors.

€3.3bn in R&D expenditure for innovation in 2022

Intellectual property portfolio with 15,000+ patents

Koninklijke KPN (KPN) is a leading provider of landline and mobile telecommunications company in the Netherlands. Embedded in its mission is the ambition to foster a connected society and achieve the digitalization of the Dutch population. Their coverage has expanded to 96% of the Dutch population, a worthwhile expansion that fosters innovation and promotes inclusive and sustainable industrialization. Furthermore, KPN has enlarged the number of 5G sites from 2,936 in 2020 to 5,072 in 2022, all while decreasing its energy consumption by over 20% in an effort to deliver more with fewer resource pressure (KPN Integrated Report 2022). On the belief that ICT is crucial to solve societal challenges, KPN has resolved to tackle the problem of loneliness in Dutch society by supporting innovation-driven entrepreneurs via the FC Mooiste Contact Fonds and the Oranje Fonds joint alliance in the program Entrepreneurship against Loneliness.

Watch: Matthieu Détroyat talks about KPN on BFM TV (05/05/23)

3.5m+
households reached with internet and telecommunications services

SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels

As technology evolves at an extraordinary pace, it leaves unfilled gaps in accessibility, privacy, security, openness, and trust. In fact, the rapid and prolific development of the digital economy has raised unprecedented legal conundrums and cybersecurity threats, ranging from data loss or theft to phishing attacks to identity fraud. Navigating and managing these issues requires highly specialised capabilities around digital-security transformation, crisis preparedness and response and knowledge of cybersecurity markets. The ELEVA Sustainable Impact Europe fund invests in companies that improve the robustness and safety of institutions and digital interfaces, thus creating trust and security in society.

SDG Targets:

16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children
16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all
16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime
16.6 Develop effective, accountable and transparent institutions at all levels

SDG 16 highlight: Strong and transparent institutions

RELX

RelX develops information-based analytics and decision tools for professional and business customers in the Risk, Scientific, Technical & Medical, Legal and Exhibitions sectors. Through its Risk market segment, the company combines data and analytics to help businesses and governments address some of the greatest challenges of today, including identifying fraud, cybercrime, bribery and corruption, human trafficking, economic sanctions, global terrorism, and abusive practices. In 2022, RELX reported meaningful contributions to the protection of society, the promotion of the rule of law and access to justice, and the development of effective, accountable and transparent institutions. For instance, through new partnerships and mobile text alerts, the company helped to expand the reach of US missing children alert service and to deliver a new missing alert service for the UK. The company has also continually helped clients to increase resilience to user-based attacks such as phishing and ransomware. Through its Legal division, RELX helps promote the rule of law with a database containing more than 139bn documents (+1.9m added every day) providing transparency on the law on more than 180 countries. Working with LexisNexis Legal & Professional South Africa and LexisNexis Rule of Law Foundation, RELX has helped to make tax law more transparent to both governments and citizens in Africa.

Watch: Sonia Fasolo talk about RELX on BFM TV (25/02/22)

2.1bn human and bot attacks detected and prevented

ADAM technology helped resolve 1,300+ missing child cases

Protect the planet

Environmental challenges are not all about climate change. Biodiversity loss, water scarcity, air, soil, and water pollution, are as important even though they generate less headlines. Given the interlink between all these challenges, they all need to be addressed with a high degree of urgency. Without taking the right actions and investment decisions today, adapting to the impacts these issues are already creating will be more difficult and costly in the future.

Climate actions

Green cities

Water and natural resources

1. Climate actions

9,9% **of portfolio revenues alignment**

SDG 7: Ensure access to affordable, reliable, sustainable, and modern energy

Energy generation is responsible for 76% of the world's human-caused greenhouse gas emissions (source: World resources institute). Reaching the EU's target of reducing GHG emissions by at least 55% in 2030 (compared to 1990 levels) will require a radical transformation to energy systems in the industry, the transport sector and in buildings. This clean energy transition is estimated to require €150bn in investments annually. To contribute to bridging this financing gap, the ELEVA Sustainable Impact Europe fund chooses to invest in companies that produce renewable energies, as well as companies providing energy efficiency solutions.

SDG Targets:

7.1 By 2030, ensure universal access to affordable, reliable and modern energy services
7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
7.3 By 2030, double the global rate of improvement in energy efficiency

SDG 7 highlight: Supporting energy transition

EDP Renovaveis is a global leader in the renewable energy sector and the world's fourth largest wind energy producer. On top of doubling the installed capacity for solar and wind between 2020 and 2025, EDP R's ongoing projects include repowering, energy storage plants, floating offshore wind farms and power plants that seek synergies between solar PV and wind energy. The company manages a global portfolio of 14.7 GW of installed capacity and avoided 20 million tons of CO_2 equivalent emissions in 2022. EDP Renewables works to ensure the continuous improvement of its environmental performance and shows commitment to sustainable growth and environmental protection across the entire value chain, promoting social welfare and development, and fostering best practices with regards to corporate social responsibility.

Watch: Sonia Fasolo talks about EDP Renewables on BFM TV (10/03/23)

14.7 GW of wind and solar installed capacity

33.4 TWh of Renewable electricity produced

20m tons of CO_2 avoided in 2022

SDG 13: Take urgent action to combat climate change and its impacts

Climate change is the defining crisis of our time and we are at a decisive moment in history as we are running out of time to cut the emissions curve. From changing weather patterns that threaten livelihoods, to rising sea levels and the growing risks of catastrophic floodings, the impacts of climate change are global in scope and unprecedented in scale. Without making the right climate actions and investment decisions today, adapting to these impacts in the future will be more difficult and costly. In this vein, ELEVA Capital is investing in innovative companies that strengthen the industries' resilience and adaptive capacity towards a greener economy.

SDG Targets:

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters
13.2 Integrate climate change measures into national policies, strategies and planning
13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

SDG 13 highlight: Decarbonize hard to abate sectors

Aker Carbon Capture: With ten years of experience in modular carbon plants, Aker's capture technology is bound to cut CO_2 emissions of heavy industrial processes such as gas and coal-fired power plants, refineries, and cement industries, both onshore and offshore. Aker Carbon Capture's overall purpose is to enable carbon removals from industries and energy solutions. As effective carbon prices increase (through increasingly stringent carbon taxes and the reduction of allowances) and costs reduce (standardization of products, digitalization, technology development, competitive supply chains, and the learning curve), the cost of capturing one ton of carbon at the source will be lower than that of releasing it into the atmosphere. Aker Carbon Capture is also developing a carbon capture service ("just catch"), delivering flexible carbon capture plants that can be adapted to the clients' needs but are operated by the company. Aker Carbon Capture IPO'd in 2020 and has more than two decades of experience and technology development through its legacy as part of the Aker Group.

500,000 T
of CO_2 will be captured annually from the existing secured contracts

2. Green cities

8,9% **of portfolio revenues alignment**

SDG 11: Make cities inclusive, safe, resilient, and sustainable

More than half of the world's population lived in urban areas in 2020, and that share is projected to reach around 70% in 2050. In the verge of rapid urbanization, making the right investments in housing, transport and risk prevention today will help cities become safer, more resilient and sustainable in the long term. In particular, congestion and traffic-related pollution are typically the largest contributors to air pollution in cities. The transition to cleaner transport fleets in cities will require the deployment of varied vehicles and alternative fuels, from electric cars to hydrogen-powered trucks and trains. With this in mind, ELEVA Capital has invested in companies that support safe, affordable, accessible and sustainable transport systems for all.

SDG Targets:

11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all
11.3 By 2030, enhance inclusive and sustainable urbanization
11.5 By 2030, significantly reduce the number of deaths and the number of people affected by disasters
11.6 By 2030, reduce the adverse per capita environmental impact of cities

SDG 11 highlight: Greener and smarter mobility

Alstom is the world's leader in rail transportation. **Rail is one the lowest carbon emitting forms of transportation.** According to Ademe, the French environmental agency, high-speed trains emit 100x less CO_2 per passenger than a thermic car (for a 1000kms travel). Alstom strives to provide *«the most efficient and digital mobility systems, while further improving the environmental friendliness of our solutions»* (Alstom, 2022). Alstom's product portfolio ranges from high-speed trains, metros, monorails, and trams to integrated systems, infrastructure, and signalling. The company is committed to supporting carbon neutrality in transportation by building innovative, sustainable mobility solutions with a lower carbon footprint while actively contributing to the public debates on sustainable development policies. Alstom adopted a climate and energy transition strategy along three lines: 1) placing energy-efficient electrical rail solutions at the heart of its portfolio; 2) enabling the transition to sustainable mobility solutions; 3) decarbonizing its operations. To keep the edge in zero emission solutions, Alstom is partnering with Engie to decarbonise freight with hydrogen solutions and tested the first battery train with Deutsche Bahn and the first hybrid train in France. These developments would lead to a 20% energy consumption reduction.

Partner to
300 cities in 63 countries

150K + trains
in commercial service worldwide

3.4% of sales dedicated to R&D

[Watch: Matthieu Détroyat talks about Alstom on BFM TV (20/05/22)]

3. Water and natural resources

13,5% **of portfolio revenues alignment**

SDG 6: Ensure availability and sustainable management of water and sanitation for all

Seventeen countries in the world, home to 25% of the world's population, face extremely high water stress. The natural capital provides the world with essential natural resources (ecosystem services) that are the underlying basis for business and society, but are constantly threatened by human activity, in particular the overexploitation of resources. Companies of all sizes contribute to this pressure on biodiversity, through their supply chains, their direct activities and the impact of their products. ELEVA Sustainable Impact Europe invests in companies that offer solutions to decrease water consumption or to reduce natural resources use, enabling the conservation of water resources and the protection of biodiversity.

SDG Targets:

6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all
6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater

SDG 6 highlight: Increase water use efficiency

Aalberts is an industrial engineering company focused on **mission-critical technologies to enable a clean, smart and responsible future.** Aalberts' niche technologies include hydronic flow control, integrated piping systems, advanced mechatronics and surface technologies. Aalberts' piping systems delivers 300m+ of pipes and connections for the hygienic distribution of drinking, waste and potable water. Aalberts solutions ensure clean water and sanitation for millions of households worldwide. By engineering the optimum piping system to distribute and control liquids and gas, Aalberts solutions also enable efficient water use and water savings while shaping eco-friendly buildings.

300M+ meters of pipes and connections annually

Watch: Sonia Fasolo talks about Aalberts on BFM TV (28/07/21)

SDG 12: Ensure sustainable consumption and production patterns

While consumption and production are a driving force of economic growth, unsustainable use of natural resources continues to have destructive impacts on the planet and endangers the systems on which our future development depends. As social awareness and consumer expectations grow, companies are scaling up efforts to develop new products from sustainable sources (e.g., organic agricultural products, recycled raw materials) and products that are aligned with a more sustainable future. These developments allow companies to grow capabilities in sustainability topics and decouple economic growth from environmental degradation. Along these lines, ELEVA Capital has invested in companies that support sustainable management and rational use of natural resources..

SDG Targets:

12.1 Implement the 10-year framework of programmes on sustainable consumption and production
12.2 By 2030, achieve the sustainable management and efficient use of natural resources
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

SDG 12 highlight: Zero-waste, circular economy

AFYREN

Afyren specializes in microbiology and bioprocess engineering for the recovery of non-food biomass. Afyren **offers innovative solutions to manufacture the ingredients of tomorrow** by replacing petroleum-based products with biobased ones. Afyren's environmentally friendly fermentation technology uses waste biomass (which does not compete with the human food chain) and approaches zero waste generation. Through its green chemistry approach, Afyren's operations use very little energy to produce its diverse range of high value-added molecules. The company's innovative use of resources generated from organic raw materials allows Afyren to also contribute to an efficient use of resources and reduce waste generation. *«The purpose chosen and defined by AFYREN is to enable low-carbon, circular industry by providing biobased solutions built with our partners to benefit environment»* (Afyren, 2022).

Sustainable, high-performance, biobased solutions

100%
biosourced molecules, replacing oil-based ones for a wide range of industries

81%
reduced carbon footprint compared to equivalent fossil -based acids

The IMP analysis of ELEVA Sustainable Impact Europe

To make management decisions through a more detailed understanding of our portfolio's impact, we classify our investments using the **Impact Classes framework, provided by the Impact Management Project (IMP)**[11] , now called Impact Frontiers. The IMP impact classes bring together the impact goals of our investees and our strategies to contribute to that impact.

This year, we have deepened the IMP analysis of our portfolio and developed for the first time a methodology to classify each investee according to its impact and our contribution to that impact as an investor.

Impact of underlying assets

We believe that all stocks within ESIE fund qualify at least for the **B category**, as the fund combines three selection filters leading portfolio managers to select companies:

- avoiding harm, through the exclusion of sectors having essentially negative impacts
- benefiting stakeholders, as only companies behaving in the right way with all their stakeholders can be selected (minimum ESG score of 60 out of 100)
- and contributing to solutions, as we focus on companies providing products and services solving environmental or social issues (minimum SDG score of 20%)

To evaluate whether an investee belongs to the **C category**, we analysed our portfolio against a set of 4 criteria:

- A significant contribution to solutions, with a minimum SDG score of 51%
- No negative contribution to any SDG
- At least one strong social or environmental commitment, meaning the investee is engaged towards setting an SBT target or has already a target approved, and/or is a signatory of the UN Global Compact
- Companies within the Scale-Up pocket automatically classify as C. Indeed, these companies are smaller than the others and are not yet in the position to make strong SBT or UN Global Compact commitments. Those companies often lack the means to set up good ESG disclosure, relevant environmental and social targets, or precise impact KPIs. In some cases, they tend to focus only on the impact of their products and neglect the operations side. To help them improve their environmental, societal or impact performance we provide advice, through engagement, and help them address both topics in a proper way.

Contribution made by the investor

Considering the positioning of our fund, we believe that our contribution classifies at least as "1", "signal that impact matters". Through our selection process, we signal that positive impact matters to us and we expect that, over time, capital markets will price in the positive effects of our investee companies on people and the planet. We also believe that our contribution does not qualify as "5" or "6" as we do not provide flexibility on risk-adjusted return. To determine whether our contribution to the impact of a specific investee qualifies as "2", "3", "4" or "5", we analysed our portfolio against a set of 3 criteria:

"Engage actively":

- For companies that have been in the portfolio for a while and which we have past engagement record, at least one ESG engagement topic has to be "achieved" to qualify for the "Engage actively" category
- For the newest companies with no engagement track record yet, we consider that the engagement is active if there is at least one engagement topic on E, S or Impact.

11 - Impact Management Project (IMP). A Guide to Classifying the Impact of an Investment: https://razfinance.io/wp-content/uploads/2021/07/A-Guide-to-Classifying-the-Impact-of-an-Investment-3.pdf

"Grow new / undersupplied capital markets":

- Our contribution qualifies as "Grow new / undersupplied capital markets" for companies within the Scale-up pocket. Those companies are smaller and less mature and have a more restricted access to financing compared to bigger ones while having the need to finance their development. They raise fresh money at the time of their IPO and often need further financing once listed. We can participate in such capital increases which may involve investing in stocks of smaller size and with lower levels of liquidity. By doing so, we enable those companies to continue to grow and generate the systemic impact they are aiming to achieve. Also, to belong to the Scale-up pocket, the revenue of an investee is expected to double within 36 months.

The results of the detailed IMP analysis of our portfolio are illustrated in the following IMP table, indicating to which impact class each company of the portfolio belongs and the corresponding weight of the total portfolio:

Classification of portfolio investees according to the IMP framework
(investor's contribution to impact + impact of the investee companies)

Assets under Management % portfolio

INVESTOR'S CONTRIBUTION		IMPACT OF UNDERLYING ASSETS/ ENTERPRISES		
		Act to avoid harm - A	Benefit Stakeholders - B	Contribute to Solutions - C
1	Signal that impact matters • Engage actively • Grow new/undersupplied capital markets • Provide flexible capital			
2	Signal that impact matters **• Engage actively** • Grow new/undersupplied capital markets • Provide flexible capital		Allianz, Capgemini, STMicroelectronics, Spie, BNP Paribas, Befesa, Ashtead, Schneider Electric, Air Liquide, Bawag, Alstom, L'Oréal, Dassault, Aalberts, Kerry Group, Adyen Academedia, Steico. 44,5 %	Novo Nordisk, AstraZeneca, Elis, KPN, Zurich Insurance, EDP Renovaveis, ASML Holding, Relx, Saint Gobain, Amplifon, Michelin, Lonza, Münich Re, Terna-Rete, Sartorius Stedim, Sika, Coloplast, Wavestone, Croda. 47,6 %
3	Signal that impact matters • Engage actively **• Grow new/ undersupplied capital markets** • Provide flexible capital			
4	Signal that impact matters **• Engage actively** **• Grow new/undersupplied capital markets** • Provide flexible capital			Alfen, Waga Energy, Ayfren, Aker Carbon Capture, Carbios. 4,7 %
5	Signal that impact matters • Engage actively **• Grow new/undersupplied capital markets** **• Provide flexible capital**			
6	Signal that impact matters **• Engage actively** **• Grow new/undersupplied capital markets** **• Provide flexible capital**			

Source: own elaboration from data provided by ELEVA Capital [12] on the basis of the IMP framework

12 - According to the latest data available as of December 2022. The cash pocket of the portfolio is excluded from the analysis.

Final remarks, learnings and next steps

At a time when social and environmental challenges show no signs of abating, it is key that impact investing funds commit to fighting ambiguous discourse and greenwashing to deliver genuinely positive outcomes for people and the planet. The second edition of the ELEVA Sustainable Impact Europe Fund's impact report is an important milestone in that direction.

We aim to keep our high standards of engagement and transparency, while sharing our methodologies and results with our investors. Our intention is to remain humble, mindful that impact investing, particularly in the listed equities asset class, is still in its infancy and needs time to evolve and mature. Among the improvements this year, we refined the IMP analysis of our portfolio to map it across impact classes, all while we have started engaging some companies on impact-related topics beyond the more traditional ESG matters. We have also articulated an impact thesis to better drive our intentionality towards generating impact.

Next Steps

ELEVA Capital is committed to continuing to adopt best practices, as well as to advancing the work we have done so far. Among the areas of improvement for 2023-2024, we will focus on the following topics:

- **As per the new French regulation «Article 29,» we have started to upgrade our reporting on climate.** We disclose the temperature of the portfolio based on MSCI methodology. These tools and methodologies still need to mature before they are used to inform investment decisions.
- With the entry into force of EU Taxonomy disclosure, **we remain committed to add a target of taxonomy alignment for the fund going forward** once more data from companies is available.
- **We will continue to look for ways to better reward impact,** exploring for instance how the portfolio managers' remuneration could be linked to impact targets, in line with international recommendations by the GIIN and other reference leaders.
- **We intend to use the IMP (now Impact Frontiers) framework in a more systematic manner to map our portfolio and refine the IMP analysis with a deeper exploration of our contribution to impact.** This requires more tracking of our specific engagement indicators, like the regularity and type of actions (calls, emails sent, responses received from investees) and results, and to broaden our more specific engagement on impact to all companies in the portfolio. Since engagement is the key mean for fostering additionality in public markets, we are aware of the critical importance of a continuous and active shareholder engagement as our duty.
- **We will embed biodiversity and nature considerations across the investment process in a more systematic way.** Seeing the rise of biodiversity in the agenda of responsible and sustainable investors, our intention is to start issuing specific engagement actions with our portfolio companies. Any progress on making the fund investees more constructive with biodiversity in their business activities could then be reported. In the coming months, we will also focus on selecting the right tool to start evaluating the impacts and interlinkages of our portfolio with nature and thus be able to make a first situation assessment with our investees.
- **We plan to find a way to better assess companies' contribution to SDGs in sectors addressing basic needs (i.e. health, telecommunications, etc.), in particular with regards to the actions they take to make their products more affordable for vulnerable populations.** This could mean, for instance, having a deeper look at geographies and how much of the portfolio supports access to basic needs in low and middle-income countries or refining our SDG scoring methodology to incorporate accessibility considerations.

These plans are in line with our fiduciary duty to be a responsible financial player and, we trust, will further improve our contributions to the Sustainable Developments Goals.

About ELEVA Capital

ELEVA Capital: A Responsible investor

ELEVA Capital SAS is an independent asset manager founded in 2014 by Eric Bendahan, based in Paris and London, currently comprising 40 experienced professionals. ELEVA Capital is AMF regulated and manages a Luxembourg based UCITS V Fund (The "ELEVA UCITS Fund"). ELEVA Capital is proud of its independence and differentiates itself through its performance, client proximity, and integrity. ELEVA Capital is a long-term partner of UNICEF and allocates c. 10% of the profits of the Firm each year to fund their projects to help children.

The ELEVA Capital group manages assets of ca €10 billion in open-ended funds (as of 31/12/2022). Four funds accounting for ca 54 % of the assets under management have received the French SRI label. The ELEVA Sustainable Impact fund also holds the Belgian Towards Sustainability label.

ELEVA Capital's is a signatory of

Appendix 1

Company Name	Business Description	ESG score (/100)	Net SDG score (%)	Impact metrics	Net SDG Contribution (% of revenue)
AALBERTS	Development, design, and manufacture of integrated piping systems and hydronic flow control for eco-friendly buildings	63	65,0	300m metres of pipes and connections for the hygienic distribution of drinking, potable and waste water; preventing wastage and promoting resource efficiency	SDG 3: -3%, SDG6: 12%, SDG7: 25%, SDG9: 8%, SDG12: 23%
ACADEMEDIA	Operation of preschools, compulsory schools, upper secondary schools, and adult education centres	70	100,0	Educational services provided to 200,000 children, young people, and adults	SDG4: 71%, SDG5: 29%
ADYEN NV	Digital payment solutions for businesses	62	37,6	€767bn worth of online transactions processed	SDG8: 14.8%, SDG16: 22.8%
AFYREN	Biobased organic acids from renewable raw materials, replacing fossil fuel based raw materials	63	100,0	Manufacturing capacity of 16,000 tonnes of organic acids and 28,000 tonnes of fertilisers from renewable raw materials	SDG12: 100%
AIR LIQUIDE	Gases, technology, and services for industrial and healthcare applications	69	29,5	1.9m patients supplied with medical gases, medical equipment, and home health care services; sale of gases for desulfurization of hydrocarbons, improving air quality and avoiding 13.3m tonnes CO_2e emissions	SDG3: 13%, SDG7: -10.5%, SDG11: 14.4%, SDG13:12.6%
AKER CARBON CAPTURE	Solutions for the capture of CO_2 in hard to abate industries	67	100,0	500,000 tonnes of CO_2 captured, reducing CO_2 emissions in the atmosphere	SDG 13: 100%
ALFEN	EV charging stations, energy storage systems and smart grids solutions	66	100,0	Enabled the supply of renewable energy to 77,000 additional households, avoiding 3.8m tonnes of CO_2e emissions	SDG7: 10.3%, SDG9: 32.4%, SDG11: 57.3%
ALLIANZ SE	Insurance services including property-casualty and life & health insurance, as well as fund management services	73	46,3	122m customers provided with insurance services, of which 57m in low-income regions; insurance against climate-related adversities mitigating financial risk	SDG3: 35.4%, SDG11: 10.9%
ALSTOM	Manufacturing of rolling stock and signalling systems	64	95,5	Infrastructure solutions for e-mobility ; sale of electric transport solutions including electric trains	SDG9: 22%, SDG11: 73.5%
AMPLIFON	Hearing aids distribution	75	100,0	Hearing equipment and services provided to patients	SDG3: 100%
ASHTEAD GROUP	Equipment rental services for construction and industry	74	100,0	900,000 rental assets provided to 800,000 customers, reducing resource use and promoting circular economy	SDG12: 100%
ASML HOLDING NV	Development and production of equipment for the semiconductors manufacturing	84	100,0	Sale of equipment for the manufacture of semiconductors, promoting digitalisation of industry	SDG9: 100%
ASTRAZENECA	Sale of drugs for oncology, rare diseases, and biopharmaceuticals	72	100,0	105m patients provided with drugs, including through healthcare programs such as Healthy Heart Africa	SDG3: 100%
BAWAG GROUP	Financial services for retail, small business, corporate, real estate, and public sector customers	65	29,3	€512m provided in loans to SMEs; affordable housing solutions	SDG1: 1.5%, SDG7: 0.1%, SDG8: 6%, SDG11: 4.5%, SDG12: 0.7%, SDG16: 16.5%
BEFESA	Recycling of steel dust and aluminium residues	67	100,0	Recycled and prevented 1.8m tonnes of steel and aluminium residue from reaching landfills	SDG12: 100%
BNP PARIBAS	Financial services including comercial, retail, investment, private and corporate banking services	64	24,2	€125bn provided in loans to SMEs; access to banking services provided to 3m low-income people; €2.3bn provided in support to impact enterprises including microfinance institutions	SDG1: 0.4%, SDG7: 0.1%, SDG8: 9.2%, SDG12: 5.3%, SDG13: 5.5%, SDG16: 3.8%
CAPGEMINI	Consulting services including IT, cybersecurity and cloud consulting	71	38,0	Working with clients in the public and private sectors to increase their resource use efficiency; solutions for protection, detection, and response to cyberattacks	SDG9: 30%, SDG16: 8%
CARBIOS	Enzymes for plastic and PLA recycling	61	100,0	Production capacity of 400kt, contributing to the recycling of plastics and increasing resource use efficiency	SDG12: 100%
COLOPLAST	Healthcare products for ostomy, continence care, and wound healing	65	100,0	2m patients provided with healthcare products and services	SDG3: 100%
SAINT GOBAIN	Materials for sustainable construction	63	72,0	Piping solutions for drinking water and sanitation, sale of low-carbon construction chemicals including low-carbon cement; solutions for energy efficiency for electric vehicles	SDG6: 10%, SDG11: 62%
CRODA INTL	Specialty chemicals for applications in consumer care, life sciences, and industry	75	56,8	Sale of crop protection and seed enhancement solutions for sustainable agriculture; sale of pharmaceutical products including vaccine systems and drug delivery systems; 6,000 tonnes CO_2e emissions avoided	SDG2: 13.1%, SDG3: 19.6%, SDG12: 24.1%
DASSAULT SYSTEMES	Software solutions such as 3D design software and product life-cycle management software for manufacturing, life sciences and healthcare, and infrastructure	76	81,3	9m patients reached through 30,000 trials using the MEDIDATA platform, 6,000t CO_2e emissons avoided due to low-carbon services	SDG3: 19.9%, SDG9: 65.9%, SDG16: -4.5%

Company Name	Business Description	ESG score (/100)	Net SDG score (%)	Impact metrics	Net SDG Contribution (% of revenue)
EDP RENOVAVEIS	Development, construction, and operation of renewable energy plants	73	100,0	1.2 GW grid capacity installed and 3.1 TWh renewable electricity produced, avoiding 20m tonnes CO_2e emissions	SDG7: 100%
ELIS	Product-as-a-Service solutions for the hospitality, retail, and services industries	70	88,0	400,000 customers reached with Product-as-a-service solutions, contributing to the circular economy and increased resource use efficiency	SDG12: 88%
KERRY GROUP	Taste and nutrition solutions for the food, beverage, and pharmaceutical industries	69	30,0	1.2bn people provided with positive and balanced nutrition solutions	SDG2: 30%
DSM	Solutions for human & animal nutrition and personal care	72	81,0	Nutritional solutions for 642m vulnerable people; sale of Active Pharmaceutical ingredients (APIs) to pharmaceutical companies	SDG2: 74%, SDG3: 5%, SDG13: 2%
KPN	Incumbent telecom operator in the Netherlands	65	99,0	3.6m households provided with internet and telecommunication services	SDG9: 99%
LONZA	Drug manufacturer (CDMO) for pharmaceutical, biotech companies	70	100,0	Manufacturing services provided to clients in the pharmaceutical, biotech, and nutrition sectors	SDG3: 100%
L'OREAL	Manufacture and sale of personal care products including beauty and hair products	72	40,1	Sale of products manufactured using bio-based or sustainable raw materials	SDG12: 40.1%
MICHELIN	Tyres manufacturing for autos, trucks and industrial players	72	52,0	Sale of tyres designed to improve fuel efficiency of vehicles, avoiding 37,000 tonnes CO_2e emissions	SDG12: 52%
MUNICH RE	Reinsurance, primary insurance, and insurance-related risk solutions	70	92,3	39m people provided with insurance services including life & health insurance, insurance against climate-related disasters; 55 GW of renewable energy insured	SDG3: 34.8%, SDG11: 32.5%, SDG13: 10%, SDG16: 5%
NOVO NORDISK	Drugs for diabetes, obesity, and biopharmaceuticals	75	100,0	36.3m patients provided with diabetes care products	SDG3: 100%
RELX	Analytics and information-based solutions for scientific, technical, medical, legal, insurance sectors	79	60,0	1.8bn scientific articles published across platforms; 2.1bnn human and bot attacks detected and prevented; 1,300 missing child cases resolved	SDG4: 34%, SDG16: 26%
SARTORIUS STEDIM BIOTECH	Solutions and equipments for the manufacturing of biopharmaceuticals	77	100,0	Sale of various solutions to biopharmaceutical manufacturersincluding cell line technology, cell culture media	SDG3: 100%
SCHNEIDER ELECTRIC	Energy management and digital automation	80	62,0	9.3m tonnes CO_2e emissions avoided due to energy management solutions, 5.7m people provided with access to renewable electricity	SDG7: 62%
SIKA	Specialty chemical products for the construction and automotive industries	71	70,0	Sale of sustainable products to the construction industry having a positive impact on energy use and air quality; manufacturing solutions to increase resource use efficiency	SDG9: 12.2%, SDG11: 57.8%
SPIE	Multi-technical services for energy and communications	70	62,0	Technical services for the e-mobility infrastructure; sale of renewable energy solutions	SDG7: 37%, SDG9: 23%, SDG11: 2%
STEICO	Wood fiber products for building insulation	62	79,4	Sale of 4.3m m^3 of ecological insulation material per year; more than 57,000 insulated houses per year	SDG11: 79.4%
STMICROELECTRONICS	Semiconductors manufacturer	61	23,0	Solutions for digitalization and electrification of automobiles including EV charging stations, sensors, etc	SDG7: 8.5%, SDG11: 14.5%
TERNA-RETE ELETTRICA	Grid operator for electricity transmission in Italy	68	100,0	63.3 GW of electric grid network; transmission of 36% renewable electricity in Italy	SDG7: 31%, SDG9: 69%
WAGA ENERGY	Production and sale of renewable natural gas, specializing in landfill gas upgrading	62	100,0	220 GWh of installed capacity; avoiding 20,000 t CO_2e emissions	SDG7: 100%
WAVESTONE	Consulting services, including IT, IoT, cybersecurity, and sustainability consulting	75	59,5	Cybersecurity services to combat organized crime; IT services	SDG9: 30%, SDG 13 : 3%, SDG16: 26.5%
ZURICH INSURANCE GROUP	Sale of insurance services including property & casualty insurance, and life & health insurance	77	52,3	67.5m people provided with insurance services, mitigating financial risk	SDG1: 2.3%, SDG3: 32%, SDG11: 18%

Independent verifier's limited assurance declaration

Presentation of Stone Soup Consulting

Founded in 2008, Stone Soup Consulting is a proactive and forward-thinking international consultancy with a social heart. A network of consultants and experts that share the same values, and work with different types of organisations interested in boosting their impact.

www.stone-soup.net

Our responsibility

Our responsibility is to express a limited assurance conclusion on the procedures used by ELEVA Capital to include companies in the ELEVA SUSTAINABLE IMPACT EUROPE investment fund. In particular, Stone Soup Consulting was responsible for:

• verifying the correct application of ELEVA Capital's methodology for measuring companies' exposure to the Sustainable Development Goals (SDG methodology), as described in the ELEVA Capital Transparency Code, dated 31/12/2022;

Nature and scope of our work

Based on our professional judgment and the evidence shared by ELEVA Capital, we performed the following procedures:

• We conducted a review of ELEVA Capital's internal documents to assert the transparency and understandability of their SDG methodology;
• We examined ELEVA Capital's SDG data and scoring system to check the correct application of the SDG methodology;
• We reviewed ELEVA SUSTAINABLE IMPACT EUROPE companies' websites and annual reports to look for evidence of their contributions to the SDGs;
• We validated the SDG score of companies in the ELEVA SUSTAINABLE IMPACT EUROPE fund and, when necessary, we requested further clarification on the SDG score provided;
• We assessed the alignment of ELEVA SUSTAINABLE IMPACT EUROPE investment approach with the three key characteristics of impact investing: intentionality, additionality and measurability.

The scope of our work doesn't include, however, an assessment of the social and environmental impact resulting from the products and services offered by companies in the ELEVA SUSTAINABLE IMPACT EUROPE fund.

Limited assurance conclusion

Based on the procedures performed and the evidence obtained, we consider that ELEVA Capital correctly applies the SDG methodology, as described in the ELEVA Capital Transparency Code, dated 31/12/2022. We also assert that ELEVA SUSTAINABLE IMPACT EUROPE investment approach is in line with the international consensus on the three main pillars of impact investing, notably:

• **Intentionality:** ELEVA Capital is an intentional investor and has an explicit goal to contribute to the achievements of the SDGs. The ELEVA SUSTAINABLE IMPACT EUROPE fund pursues a dual objective of financial performance and generation of socioenvironmental value. This intentionality applies to all of ELEVA SUSTAINABLE IMPACT EUROPE's investments (systematic approach) and influences ELEVA Capital's investment decisions (ex-ante).

- **Additionality:** ELEVA Capital provides some non-financial advice to the invested companies, particularly to the Scale-Up pocket ones, with the aim of increasing the net positive (financial and socioenvironmental) performance of their products and services.

- **Measurability:** Through its SDG methodology, ELEVA Capital assesses the potential positive and negative externalities of companies in the ELEVA SUSTAINABLE IMPACT EUROPE fund. The results of this assessment guide ELEVA Capital's investment decisions.

In order to further improve ELEVA Capital's compliance with these guidelines, Stone Soup Consulting made concrete recommendations for improvement on all three points, that were shared with ELEVA Capital in a separate document.

Independence and quality control Nature and scope of our work

Stone Soup Consulting applies rigorous standards on Quality Control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Barcelona, 30 june 2023

Sophie Robin
Founding partner and Impact Director
at Stone Soup Consulting

Disclaimer

This document neither constitutes an offer to buy nor a solicitation to sell a product, and shall not be considered as an unlawful solicitation or an investment advice. This document is intended for information purposes only. The figures, comments and analyses contained in this document reflect ELEVA Capital's current view of the markets, their development, their regulations and their taxation, based on its expertise, economic analyses and information currently available.

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The Fund "ELEVA Sustainable Impact Europe" takes into account non-financial criteria in way that is significantly binding according to the definition of the Doctrine 2020-03 released by Autorité des Marchés Financiers (AMF), the French financial markets authority. The Fund promotes a combination of environmental, social and governance characteristics and has a sustainability objective. It is a product falling under Article 9 of SFDR.
The companies mentioned in this report were invested in as of 31/12/2022. Neither their presence nor their performance is guaranteed.

The information used to write this report has been obtained from a wide range of sources. The main sources are the annual report of companies mentioned in the report. Proprietary ESG (Environment, Social, Governance) scores and SDG scores (Sustainable Development Goals) are used. They are the latest available, and could be up to two years old, given the fact that these proprietary scores are updated at least every two years. Some ESG key performance indicators are calculated based on MSCI data.

The word "impact" is mainly used to describe the effects of actions taken, products and services sold by the investee companies. The investor's attention is drawn to the fact that an investment in the ELEVA Sustainable Impact Europe Fund does not generate a direct impact on the environment and society, but that the Fund seeks to select and invest in companies that meet the precise criteria defined in the investment policy.

The term "impact" is not defined in French or Luxembourg asset management regulations. The consensus around this term is not stabilized yet for a regulatory or scientific definition.

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Product described herein is not available to all persons in all geographic locations. There are significant risks associated with investment in the Fund. Investment may not be suitable for all investors and is intended for sophisticated investors who have fully understood the risks associated with such an investment and can accept a substantial or complete loss of their investment.

Past performance is not a guarantee of future results and no insurance can be given that product(s) described herein will yield favorable investment results or that the Fund's investment objectives will be achieved or that the investor will receive a return of all or part of their investment.

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