ELEVA Sustainable Impact Europe Fund

Sustainability-related website disclosure, Article 10 (SFDR)

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A. Summary

The ELEVA Sustainable Impact Europe Fund (the “Sub-Fund”) holds the SRI label in France and will comply with the SRI V3 label as from 1 January 2025. It also holds the Towards Sustainability Belgian label.

The fund promotes a combination of environmental, social and governance characteristics and has a sustainability objective. It aims at investing in companies having a positive contribution to social and/or environmental issues. More specifically, the Sub-fund will only invest in companies having a positive contribution through the products and/or services they sell. It is a product falling under Article 9 of SFDR.

At least 80% of the Sub-Fund (including cash and FDIs, if any) is invested in sustainable investments, with a minimum of sustainable investments with an environmental objective of 30% (i.e. in economic activities that do not necessarily qualify as environmentally sustainable under the EU Taxonomy) and a minimum of sustainable investment with a social objective of 30%. The sum of those two is always equal to at least 80%. The remaining 20% can only be invested in cash or FDIs.

B. No significant harm to the sustainable investment objective

a. How the indicators for adverse impacts are taken into account

The Sub-Fund takes into consideration the 14 principal adverse impact indicators and 2 optional ones (investments in companies without carbon emission reduction initiatives and investment in companies without workplace accident prevention policies).

- PAI 2, 4, 10, 11 and 14 are taken into consideration in a quantitative way, with maximum exposure or thresholds in place (through Strict Exclusion or through the binding ESG key performance indicators described above).
- PAI 1, 3, 5, 6, 13 and the 2 optional ones are taken into consideration in a qualitative way, mainly through the criteria analysed during the ESG analysis.
- PAI 7, 8, 9, 12 are only taken into consideration when the data is available (available data for these PAI is scarce). However, engagement on these topics may be conducted with companies to help improve disclosure.

b. How a sustainable investment is assessed as aligned with the OECD guidelines and the UN Guiding Principles

In line with the criteria required for the Belgian label “Towards Sustainability” and the French SRI label V3, the companies that have violated ILO (International Labour Organisation) Conventions, or one of the UN guiding principles on Business and Human Rights, or one of the UN Global Compact principles, or of the OECD Guidelines for Multinational Enterprises are excluded in this Sub-Fund.

C. Sustainable investment objective of the financial product

ELEVA Sustainable Impact Europe holds the SRI label in France and will comply with the SRI V3 label as from 1 January 2025. It also holds the Towards Sustainability Belgian label.

The fund systematically and simultaneously integrates binding environmental, social and governance (“ESG”) characteristics in its investment management process and intends to invest in companies having a positive contribution to social and/or environmental issues. More specifically, the Sub-fund will invest in companies having a positive contribution through the products and/or services they sell. As such, the Sub-Fund only invests in sustainable investments in the meaning of art. 2(17) SFDR. The Sub-Fund also seeks to help companies to improve their ESG practices by engaging in dialogue with them on a regular basis and by sharing with them areas of improvement on specific ESG topics.

While the Sub-Fund is managed with reference to the benchmark STOXX Europe 600, the Benchmark has not been designated for the purpose of attaining the ESG characteristics promoted by the Sub-Fund but for performance comparison and risk measurement purposes). In addition, ELEVA Capital S.A.S. is not constrained by the benchmark in its investment decisions; it is free to select securities which are part, or not, of the Benchmark. The Sub-Fund’s holdings and the weightings of securities in the portfolio will consequently deviate from the composition of the Benchmark.

The investor's attention is drawn to the fact that an investment in the Sub-Fund does not generate a direct impact on the environment and society, but that the Sub-Fund seeks to select and invest in companies that have a positive contribution and meet the precise criteria defined in the investment policy.

D. Investment strategy

a. Investment strategy used to attain the sustainable investment objective

The Sub-Fund's investment process counts 4 steps being based on a combination of non-financial and financial criteria.

Step 1/ Strict Exclusion: the Management Company excludes companies from the initial investment universe which have significant negative impacts on specific ESG factors.

Step 2/ Positive ESG screening:

2.1 Initial investment universe reduction and minimum ESG score: The ELEVA Sustainable Impact Europe Fund reduces its ESG investable universe compared to its initial investment universe by at least 30% (i.e. an elimination of the 30% worst issuers in market capitalization weight). The Sub-Fund defines a binding minimum ESG score, that each company in the Sub-Fund's portfolio must as a minimum reach. The minimum score is 60/100 and this ensures that at least 30% of the initial investment universe is excluded further to the screening under steps 1 and 2. If at some point in time, the threshold of 60/100 is not sufficient to ensure a 30% reduction of the investment universe, this minimum ESG score could be revised upwards.

2.2 ESG key performance indicators: The Sub-Fund must also show a better performance than its initial investment universe (in market capitalization weight) on two Principal Adverse sustainability Indicators (PAI):
• carbon footprint (in tons of CO_2 equivalent/million euros invested, covering Scope 1+2+3); and
• exposure to companies without processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (sum of the weights).

Step 3/ Positive contribution assessment: The ELEVA Sustainable Impact Europe Fund seeks to invest in companies having a positive contribution to social and/or environmental issues. The positive contribution of each company is assessed through either:

3.1 The products and/or services they sell:
Such companies can bring social and/or environmental benefits such as Social inclusion, Digitalization, Industrial transformation, and Climate solutions (mitigation and/or adaptation). The positive contribution of each company is measured by calculating the proportion of revenue generated with products or services that contribute positively to one or more UN SDGs. The company must generate at least 20% of its revenue from this type of products or services. This is a net turnover threshold; thus, there is a further deduction from this percentage of the portion of turnover possibly achieved with products having potentially residual negative impacts (i.e. if not already excluded through the exclusion criteria). This indicator is expressed as a percentage and corresponds directly to the percentage of net sales, calculated as mentioned above.

3.2 A credible climate strategy based on science-based targets:
By adopting validated science-based targets, companies guarantee they actively contribute to Climate change mitigation. The Management Company will notably refer to trustworthy methodologies such as the Science Based Targets initiative (SBTi).

If an investee company meets either one of these two criteria, and provided it does not cause any significant harm, it is considered a Sustainable Investment in its entirety in the sense of Article 2(17) SFDR. However, this particular Sub-fund will only invest in companies having a positive contribution through the products and/or services they sell.

As a product categorised under SFDR Article 9, the Sub-Fund only invests in sustainable investments in the meaning of art. 2(17) SFDR. In addition, at the Sub-Fund level, the weighted average revenue contribution to the UN Sustainable Development Goals, has to be above 40%.

As a conclusion, 100% of the initial investment universe is screened according to this three-steps approach.

Step 4/ Financial criteria: The final selection relies on financial criteria. Companies are finally assessed through fundamental financial analysis, liquidity and valuation metrics.

The Sub-Fund’s strategy in relation to the ESG characteristics is an integral part of the Sub-Fund’s investment strategy, which is continuously monitored via the risk control and related systems in place. In addition to ongoing monitoring, pre-trade controls are also performed.

b. Policy to assess good governance practices

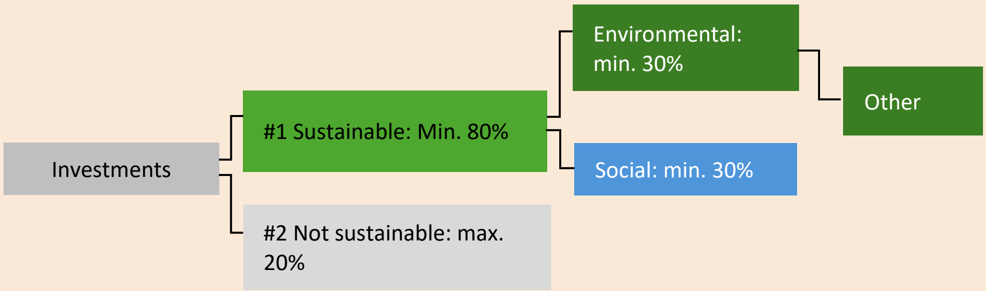
Assessing company’s governance practices is an integral part of the Management Company proprietary ESG Scoring methodology. Governance criteria (essentially located in the pillars Shareholders and Civil society) account for 30% to 40% of the ESG score, depending on a company’s sector. A minimum score of 50/100 is required for the Governance pillar to qualify as a sustainable investment. As a reminder each investee company is scored on ESG criteria with the Management Company’s ESG scoring methodology.

For more details on our ESG methodology, please refer to the ELEVA Capital ESG Policy available on our website.

E. Proportion of investments

#1 Sustainable: At least 80% of the Sub-Fund (including cash and FDIs, if any) is invested in sustainable investments, with a minimum of sustainable investments with an environmental objective of 30% (i.e. in economic activities that do not necessarily qualify as environmentally sustainable under the EU Taxonomy) and a minimum of sustainable investment with a social objective of 30%. The sum of those two is always equal to at least 80%. The remaining 20% can only be invested in cash or FDIs.

#2 Not sustainable: The Sub-Fund might invest, in aggregate, up to 20% of the Sub-Fund’s Net Asset Value in:
- cash and cash equivalent that may be held for technical purposes and/or on a temporary basis;
- financial derivatives instruments, for hedging purposes on a temporary basis.
The Sub-Fund does not consider any minimum environmental or social safeguards on these investments ”#2 Not Sustainable”.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

F. Monitoring of environmental or social characteristics

The binding elements of the investment strategy used are the below (systematically implemented prior to the investment):

• Strict Exclusion of companies from the initial investment universe which have significant negative impacts on specific ESG factors (norm based and sector based).

• The ELEVA Sustainable Impact Europe Fund reduces its ESG investable universe compared to its initial investment universe by at least 30% (i.e. an elimination of the 30% worst issuers in market capitalization weight). The Sub-Fund defines a binding minimum ESG score, that each company in the Sub-Fund's portfolio must as a minimum reach. The minimum score is 60/100 and this ensures that at least 30% of the initial investment universe is excluded further to the screening under steps 1 and 2. If at some point in time, the threshold of 60/100 is not sufficient to ensure a 30% reduction of the investment universe, this minimum ESG score could be revised upwards.

• The Sub-Fund must also show a better performance than its initial investment universe (in market capitalization weight) on two Principal Adverse sustainability Indicators (PAI):
- carbon footprint (in tons of CO2 equivalent/million euros invested, covering Scope 1+2+3); and
- exposure to companies without processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (sum of the weights).

• For a company to enter the portfolio and to qualify as a sustainable investment, either (i) a minimum revenue contribution of 20% to one or more UN SDGs, or (ii) a credible climate strategy based on science-based targets is required (pass or fail). However, this particular Sub-fund will only invest in companies having a positive contribution through the products and/or services they sell. In addition, at the portfolio level, the Sub-Fund has an objective to have a weighted average contribution to the SDGs of at least 40%.

• Minimum of sustainable investments with environmental objective and/or social objective.

The Sub-Fund's strategy in relation to the ESG characteristics is an integral part of the Sub-Fund's investment strategy, which is continuously monitored via the risk control and related systems in place. In addition to ongoing monitoring, pre-trade controls are also performed.

G. Methodologies for environmental or social characteristics

The Sub-Fund's investment process counts 4 steps, the first 3 being based on non-financial criteria: step 1: Strict exclusion, step 2: Positive ESG screening, step 3: Positive contribution assessment.

1. ESG Score

In the context of step 2 (positive ESG screening), the Management Company uses a proprietary tool to internally analyse and score the companies on ESG criteria from 0 (worst score) to 100 (best score). The analysed ESG criteria include, among others:

• Shareholders (i.e. Governance criteria): quality of management team (track record, alignment of interest with shareholders, etc.), quality of the board of directors (board efficiency, gender diversity, checks and balances, etc.), quality of the relationship with shareholders (quality of risk management and controls, financial communication, respect of minority shareholders, etc.);
• Employees (i.e. Social criteria): quality of human resources ("HR") management (HR policies, management of human capital, gender pay gap, etc.), employer brand equity (reputation as an employer, etc.), employees retention (employee training, turnover, etc.), safety & security (policy on accident prevention, history of accidents and risk management, etc.);
• Suppliers (i.e. a combination of Environmental, Social and Governance criteria): level of risk in the supply chain (complexity of supply chain, disruption risks, etc.), supply chain risk management and control (controls, audits, engagement on Corporate Social Responsibility issues, etc.);
• Civil Society (i.e. a combination of Social and Governance criteria): customers (products quality, customer satisfaction, etc.), state (fiscal behaviour, business ethics, process to monitor the compliance with UN Global Compact principles etc.), local communities (philanthropic approach, etc.);
• Planet (i.e. Environmental criteria): climate change (risks and policies, targets on carbon emissions reduction, performance on GHG emissions and intensity), energy management (risks and policies, share of non-renewable energy consumption/production, targets, performance on energy consumption), water (risks and policies, targets, performance), biodiversity and other (risks and policies, targets, performance), environmental impact of products (taxonomy-aligned products, exposure to fossil fuels, eco-design, circular economy etc.).

The scoring methodology includes penalties for controversies, if any.

2. ESG key performance indicators

The Sub-Fund must also show a better performance than its initial investment universe (in market capitalization weight) on two Principal Adverse sustainability Indicators (PAI):
• carbon footprint (in tons of CO_2 equivalent/million euros invested, covering Scope 1+2+3); and
• exposure to companies without processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (sum of the weights).

3. Positive contribution to social and/or environmental issues

At step 3 (Positive contribution assessment), the positive contribution to social and/or environmental issues of each company is assessed through either:
• the products and/or services they sell: such companies can bring social and/or environmental benefits such as Social inclusion, Digitalization, Industrial transformation, and Climate solutions (mitigation and/or adaptation). The positive contribution of each company is measured by calculating the proportion of revenue generated with products or services that contribute positively to one or more UN SDGs. The company must generate at least 20% of its revenue from this type of products or services. This is a net turnover threshold; thus, there is a further deduction from this percentage of the portion of turnover possibly achieved with products having potentially residual negative impacts (i.e.

if not already excluded through the exclusion criteria). This indicator is expressed as a percentage and corresponds directly to the percentage of net sales, calculated as mentioned above.
• a credible climate strategy based on science-based targets: by adopting validated science-based targets, companies guarantee they actively contribute to Climate change mitigation. The Management Company will notably refer to trustworthy methodologies such as the Science Based Targets initiative (SBTi).

If an investee company meets either one of these two criteria, and provided it does not cause any significant harm, it is considered a Sustainable Investment in its entirety in the sense of Article 2(17) SFDR. However, this particular Sub-fund will only invest in companies having a positive contribution through the products and/or services they sell. In addition, at the Sub-Fund level, the weighted average revenue contribution to the UN Sustainable Development Goals, has to be above 40%.

H. Data sources and processing

The ESG process (ESG rating, voting, engagement, and positive contribution assessment) relies on several data sources:

• Corporate public documentation remains our main data source, either directly (annual reports, CSR reports, etc.) or indirectly (access via Bloomberg or via raw data collected by our ESG data provider).

• Meetings with companies and site visits also allow us to refine our analysis.

• Information produced by non-governmental organisations (NGOs) such as:

- The CDP (ex-Carbon Disclosure Project) on topics of climate change, water and forest management (corporate ratings and responses);
- The Access to Medicine Index allows us to measure the involvement of pharmaceutical companies in the accessibility and affordability of their products;
- Urgewald's Global Coal Exit List (GCEL) and Global Oil & Gas Exit List (GOGEL), used as part of our Exclusion policy.

• Databases that allow us to verify companies' engagement with CSR initiatives, for example:

- Alignment with UN Global Compact;
- Commitment to the Science Based Target Initiative (SBTi).

• Brokers' ESG research, whether thematic, sectoral, or on issuers in particular

• MSCI's ESG research, which we use primarily for:

- Establishing our exclusion lists;
- Monitoring controversies;
- Access to raw data from companies that feed into our internal ESG analysis model;
- Reporting (carbon footprint, ESG impact indicators, etc.).

I. Limitations to methodologies and data

The main methodological limits associated to the ESG process are:

• The availability of data to conduct ESG analysis.

• The quality of the data used in the assessment of ESG quality.

• The comparability of data, as not all companies publish the same indicators.

• The use of proprietary methodologies, which relies on the experience and skills of the asset manager's staff.

• The use of an external ESG data provider which may raise the following issues:
   - o Issues related to missing or incomplete information from some companies (for example relating to their capacity to manage their ESG risks) which have been used as input of data providers' scoring model; this problem may be mitigated by those providers through the use of alternative data sources, external to the company, to feed their scoring models;
   - o Issues linked to the quantity and quality of ESG data to be processed by ESG data providers (significant flow of information to be integrated continuously into their ESG scoring model): this problem may be mitigated through the use of technologies like artificial intelligence and the numerous analysts who work to transform raw data into relevant information;
   - o Issues linked to the identification of relevant factors for the ESG analysis conducted in accordance with the ESG data provider framework. This is usually set beforehand as each sector (and sometimes each company) has its own set of indicators deemed material by the ESG data provider and its own weightings: ESG data providers may use a quantitative approach validated by each sector specialist and investor feedback to determine the most relevant ESG factors for a given sector (or for a particular company if applicable).

J. Due diligence

ELEVA Capital has implemented a due diligence control plan to ensure that the financial product is managed in accordance with the corresponding ESG rules.

• **Internal control:**

- o **First level control**

  - **Monitoring compliance with exclusion rules**: The Risk team implements the exclusion lists, which are sent on a monthly basis, primarily using information from our ESG data provider (to date: MSCI). Pre-trade control is set up in the order management system (OMS). This prevents that any order is executed on any excluded security. Post-trade control is also in place, to detect any security that would have become non-investable after updating the exclusion lists. When this case arises, the Risk team alerts the portfolio managers, who have 3 months to divest the position, in the best interests of the holders. Compliance with this deadline is also monitored by the risk team.

- **Monitoring compliance with minimum ESG ratings and the universe outperformance**: The Risk team monitors the ESG score to ensure:
    - compliance with the minimum ESG score (60/100); and
    - that coverage is in line with the fund's pre-contractual commitment.

  The Risk team verifies that the minimum ESG score (i.e. 60/100) is stringent enough to ensure that the initial investment universe reduction rule is respected. Compliance with these rules is subject to a pre-trade check, configured into the OMS, and which blocks any purchase of securities that do not respect these rules. Post-trade control is also in place, to detect any security that would have become non-investable after updating the ESG score (for example, following the emergence of a controversy). When this case arises, the Risk team alerts the portfolio manager, who has 3 months to divest the position, in the best interests of the holders. Compliance with this deadline is also monitored by the risk team.

- **Monitoring performance compliance on binding ESG performance indicators:** The indicators and their associated coverage rates are monitored daily by the Risk Team. The Risk Team sends alerts when the gap between the fund and its initial investment universe is less than its warning threshold. In case of an overreach, portfolio managers have 2 trading days to comply. These indicators are reported in the funds' monthly reports.

- **Monitoring compliance with the minimum share of Sustainable Investments:** The Risk team monitors that 100% of investee companies are considered sustainable according to the ELEVA definition of Sustainable Investments. The positive contribution and the minimum ESG score of 60/100 are subject to a pre-trade control, configured into the OMS, which blocks any purchase of securities that do not fulfil these conditions, as well as post-trade control. Controls also ensure the minimum 30% environmentally (not necessarily aligned with the EU Taxonomy) and 30% socially Sustainable Investments are respected and that the weighted average SDG contribution of the investee companies is above 40%. More specifically for this fund, controls also ensure that the fund only invests in companies having a positive contribution through their products and/or services (i.e. UN SDG contribution).

- **Second level control:** The Head of Compliance and Internal Control (RCCI) ensures a second-level control that is integrated into the internal control system of the annual internal control plan. In addition, an outsourced pluriannual periodic monitoring of this process is conducted.

• **External control:**

- In addition to the outsourcing of external control referred to in the previous paragraph, funds holding the SRI label in France are subject to external control by an accredited certification body. ELEVA Capital retained EY as auditor for the labelling of its SRI-labelled funds. This audit process includes an initial on-site audit and then every 3 years, and annual follow-up audits. Elements controlled by the label certification entity include the existence and implementation of a binding ESG selection process.
- Funds holding a SRI label in Belgium are also subject to external control by an accredited certification body (the Central Labelling Agency or CLA) as part of the Towards Sustainability audit process.
- Lastly, the fund also publishes an annual Impact Report with data verified by an external consultancy (Stone Soup Consulting).

K. Engagement policies

Systematic engagement with investee companies after each ELEVA ESG analysis is an integral part of our responsible investment policy. As active shareholders, we are committed to helping companies progress on their sustainability journey. We believe that companies improving their ESG credentials will better manage their risks.

Further information in relation to engagement policy carried out by ELEVA Capital can be found in the Voting and Engagement policy available on our website.

L. Attainment of the sustainable objective

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.
The fund invests in companies having a positive contribution to social and/or environmental issues. More specifically, the Sub-fund will only invest in companies having a positive contribution through the products and/or services they sell. As such, the Sub-Fund only invests in sustainable investments in the meaning of art. 2(17) SFDR.

Disclaimer

ELEVA Capital is subjected to the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR).
Regulation (EU) 2019/2088 was supplemented by Delegated Regulation (EU) 2022/1288 of 6 April 2022 which specifies the provisions of the Article 10 of SFDR to be made in terms of publication of information on sustainability, for submitted funds.
This present document is issued to disclose sustainability-related information on this product, in relation to the Article 10 of SFDR. Please refer to the prospectus of the fund and to the KID before making any final investment decisions.

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