ELEVA SRI Euroland Selection Fund

Sustainability-related website disclosure, Article 10 (SFDR)

Last update : 19/06/2025

Contents

A. Summary

The ELEVA SRI Euroland Selection fund (the “Sub-Fund”) holds a SRI label in France since September 2024 and promotes environmental or social characteristics under SFDR Article 8 SFDR.
The Sub-Fund invests at least 81% of its net assets in assets that have been determined as “eligible” as per the ESG process in place (hence in investments that are aligned with the promoted environmental and social characteristics). For the sake of clarity, the minimum of 81% corresponds to 90% of 90%: the “first” 90% being the minimum weight of issuers analysed and scored on ESG criteria with the ELEVA methodology on the invested pocket and the second “90%” being the minimum of the invested pocket (i.e maximum 10% of cash and cash equivalent).

B. No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have a sustainable investment objective.
Among the investments aligned with the E/S characteristics, the Sub-Fund invests at least 40% of its net assets in assets that have been determine as “eligible” as per the sustainable investments process in place, in the meaning of art. 2(17) SFDR. In particular the Sub-Fund will invest a minimum of sustainable investments with an environmental objective of 5% (*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 5%. The sum of those two is always equal to at least 40%.

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

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. Environmental or social characteristics of the financial product

ELEVA Euroland SRI Selection holds a SRI label in France since September 2024 and promotes a combination of environmental, social and governance ("ESG") characteristics. This Sub-Fund integrates binding ESG criteria in its investment management process. The main non-financial objective of ELEVA Euroland SRI Selection Fund is to invest in companies with good ESG practices (i.e. best in universe) or companies that are on an improving path regarding ESG practices (i.e. best efforts) while excluding companies that would not have a minimum absolute ESG rating (40/100). 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.

The Sub-Fund seeks to invest in companies having a good behaviour towards their key stakeholders (Shareholders, Employees, Suppliers, Civil Society and the Planet). For instance, the Sub-Fund seeks to invest in companies with good corporate governance practices (e.g. Boards with gender and cognitive diversity and a sufficient level of independence), with good environmental and social practices (e.g. signatories of the UN Global Compact) and implementing carbon reduction measures (e.g. the Sub-Fund has an ESG KPI on carbon footprint).

The Sub-Fund invests in sustainable investments in the meaning of art. 2(17) SFDR.

While the Sub-Fund is managed with reference to the benchmark Euro STOXX Index, 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.

D. Investment strategy

a. Investment strategy used to meet the environmental or social characteristics

The Sub-Fund implements several sustainable approaches under steps 2 and 3, as defined by the Global Sustainable Investment Alliance: exclusionary screening, norm-based screening, positive ESG screening (i.e. “best in universe” or “best efforts”).

The Sub-Fund’s investment process counts 3 steps being based on a combination of non-financial and financial criteria.

Step 1/ From a broad universe made of all companies (all market capitalisations, all sectors) issuing equities and equity related securities denominated primarily in Euro, the Sub-Fund focuses on companies meeting the following criteria:

• Liquidity, measured through daily liquidity for each company; and

• Minimum market cap is set at 5 billion euros unless that company has a strong balance sheet and a sufficient revenue growth.

These criteria define the so-called initial investment universe (for the needs of the calculation of ESG selectivity) and is made of circa 800 companies.

Step 2/ Strict Exclusion: the Management Company excludes companies from the initial investment universe which have significant negative impacts on specific ESG factors.

Step 3/ Fundamental analysis: the Management Company does a fundamental analysis of each company which is considered for investment on financial criteria. The Management Company also performs an analysis on non-financial criteria. In case of timing constraints, the analysis on non-financial criteria can be conducted post-investment in compliance with the ESG coverage constraints of the Sub-Fund.

The Sub-Fund’s strategy in relation to the ESG characteristics is 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.

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

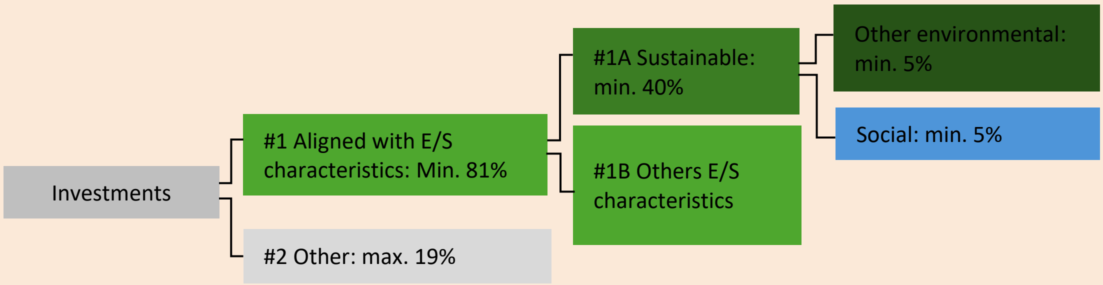
E. Proportion of investments

<u>#1 Aligned with E/S characteristics</u>: the Sub-Fund invests at least 81% of its net assets in assets that have been determined as "eligible" as per the ESG process in place (hence in investments that are aligned with the promoted environmental and social characteristics). For the sake of clarity, the minimum of 81% corresponds to 90% of 90%: the "first" 90% being the minimum weight of issuers analysed and scored on ESG criteria with the ELEVA methodology on the invested pocket and the second "90%" being the minimum of the invested pocket (i.e maximum 10% of cash and cash equivalent).
#1A Sustainable: among the investments aligned with the E/S characteristics, the Sub-Fund invests at least 40% of its net assets in assets that have been determine as "eligible" as per the sustainable investments process in place, in the meaning of art. 2(17) SFDR. In particular the Sub-Fund will invest a minimum of sustainable investments with an environmental objective of 5% (*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 5%. The sum of those two is always equal to at least 40%.

#1B Other E/S characteristics: these investments include investments that are not sustainable in the meaning of art. 2(17) SFDR but have fulfilled the promoted environmental and social characteristics by applying the Sub-Fund's ESG methodology in investment decision making (norm and sector based exclusions, ESG scoring and that have been screened through the PAI assessment).

<u>#2 Other</u>: As a result, up to 19% of the Sub-Fund investments may not be aligned with the E/S characteristics:
- cash and cash equivalent;
- index financial derivatives instruments;
- companies with no ESG score done internally such as IPOs (initial public offering); or, among others,
- UCITS and Other UCIs.

For the sake of clarity, the above mentioned invesments, in aggregate, will never exceed the total of 19% aforementioned.
These investments may be held for technical purposes and/or on a temporary basis and/or pending available information to score them on ESG criteria (e.g. IPOs).
The Sub-Fund does not consider any minimum environmental or social safeguards on these remaining investments "#2 Other".



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics covers**:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

F. Monitoring of environmental or social characteristics

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 3 steps being based on a combination of non-financial and financial criteria. The sustainability indicator used in the context of the non-financial part of the process is the ESG scoring (i.e. an ESG score established internally by the Management Company and, where not available, an ESG score from a single external data provider).

The Management Company indeed 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 or 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.

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).

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

H. Data sources and processing

The ESG process (ESG rating, voting, engagement) 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:

- 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:**

- **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 (40/100); and
    - that coverage is in line with the fund's pre-contractual commitment.

    The Risk team also monitors that the fund does outperform its universe in terms of ESG score. For SRI-labelled funds, the Risk team ensures that the outperformance is significant (i.e. after elimination of the worst scores from the universe, using the applicable rates determined by the French SRI label). 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 the minimum share of Sustainable Investments (40%), as well as the minimum 5% of environmentally (not necessarily aligned with the EU Taxonomy) and 5% socially Sustainable Investments are respected. Compliance with these rules is subject to post-trade control.

- **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.

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.

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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