

Unaudited information (continued)

Annex 5 RTS SFDR / Template periodic disclosure for the financial products referred to in Article 9

Product name: DNCA INVEST – BEYOND ALTEROSA

Legal entity identifier: 2138006TR6VX6BNOSP19

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: 52,29% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy for 52,29% <input checked="" type="checkbox"/> It made sustainable investments with a social objective: 41,64%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input type="checkbox"/> It promoted E/S characteristics but did not make any sustainable investments.



To what extent was the sustainable investment objective of this financial product met?

The Sub-Fund had as its objective sustainable investment within the meaning of Article 9 of SFDR. The Sub-Fund was managed taking into consideration responsible and sustainable principles and aimed to target a significant exposure in revenues to the 17 Sustainable Development Goals of the United Nations with a minimum threshold of 50% consolidated revenues of the entities held in the portfolio (excluding cash, derivatives and Money Market Funds).

To be eligible to the investment universe, issuers must comply with the following criteria which are based on a "pass-fail" approach:

- minimum 5% revenues exposed to SDGs, according to the internal classification framework based on Sustainable Transition Activities (demographic transition, and/or healthcare transition, and/or economic transition, and/or lifestyle transition and/or ecologic transition)
- minimum rating of 4 out of 10 on Corporate Responsibility Rating (taking into account controversies and PAI) combined with the exclusion policy, integrating the Do Not Significantly Harm on any environmental or social objective (see below)
- minimum rating of 2 out of 10 on Governance (Corporate Governance Practices).

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In this way, for private issuers, the investment process and resulting stock and bond picking used internal scoring with respect to both corporate responsibility and sustainability of companies based on an extra-financial analysis through a proprietary tool developed internally by the Asset Management Company, with the "best in universe" method (screening of the investment universe based on the corporate responsibility criteria, regardless of the sectorial activity). There may have been a sector bias.

For public issuers, the investment process and resulting picking used internal scoring with respect to responsibility of public issuers such as country based on an extra-financial analysis through a proprietary tool developed internally by the Asset Management Company, with a minimum rating approach method: the sub-fund excluded any issuer with an ABA score inferior to 4/10.

In addition, the sub-fund applied the exclusion policy of the asset management company.

The Sub-Fund did not use a benchmark for the purpose of attaining the sustainable objective of the Sub-Fund.

• **How did the sustainability indicators perform?**

Private Issuers

The sustainability indicators of the Sub-Fund for private issuers were:

- Carbon data: carbon footprint (t CO2/m\$ invested) of the Sub-Fund’s portfolio.
- Carbon intensity (t CO2/m\$ revenues) of the Sub-Funds’ portfolio.
 - Exposure to UN Sustainable Development Goals: the Management Company assesses for each company the part of revenues linked to one of the 17 Sustainable Development Goals of the United Nations.
 - The "Above and Beyond Analysis" ("ABA", the proprietary tool) Corporate Responsibility Score: the main sustainability indicator used by the Sub-Fund is the ABA scoring based on the Corporate Responsibility and divided into four pillars: shareholder responsibility, environmental responsibility, employer responsibility, societal responsibility.
 - The Transition to a Sustainable Economy exposure: the asset manager completes this analysis by an assessment of companies’ exposure to "Transition to a Sustainable Economy". This exposure is calculated among five pillars: demographic transition, healthcare transition, economic transition, lifestyle transition and ecologic transition.
- The proportion of the Sub-Fund’s portfolio in the "worst offenders" list of the Management Company; this list is consisted of the issuers most at risk from a social responsibility point of view. This list is established based on major controversies, after analysis by members of the SRI team, and after validation by the Sustainable Investment Monitoring Committee.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Performance of sustainability indicators for private issuers as of 12/30/2022	
Sustainability indicators	Performance of the sustainability indicators
Carbon footprint	115
Carbon intensity	128,6
% Exposure to the SDGs (% of revenues, consolidated for the private issuers portfolio part)	51,02% of revenues
ABA Corporate Responsibility score	5,935/10
Transition to a Sustainable Economy exposure	51,02% of revenues
% in the "worst offenders" list	0%

Public Issuers

The Sub-Fund has the possibility to invest in public issuers securities; however, the Sub-Fund didn't hold any public issuers bonds as of December 30th, 2022.

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- ...and compared to previous periods?

Not applicable

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

The adverse impacts of the companies' activities on environment and social objectives were directly integrated into the ABA Corporate Responsibility Rating (which integrates the indicators for adverse impacts on sustainability factors in Table 1 of Annex 1 of the SFDR RTS and may lead to a downgrading of the ABA scoring under the minimum rating).

In this background, the Asset Manager has implemented in accordance with its Exclusion Policy the following exclusions:

- thermal coal and unconventional oil and gas: the Asset Manager gradually excluded companies involved in thermal coal and unconventional oil and gas business
- controversy weapons: issuers were excluded from all the Asset Manager's portfolios
- non-compliance with UN Global Compact: issuers with severe breaches to the UN Global Compact principles were integrated in the Asset Manager's "Worst Offenders" list and excluded from all the portfolios.

The minimum rate of 4 of 10 (Corporate Responsibility in the proprietary tool ABA) is in line with the objective to Do No Significant Harm to the social or environmental objectives.

On December 30th, 2022, no breaches have been identified and no companies involved in thermal coal and unconventional oil and gas business were included in the asset managers' portfolio.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- *How were the indicators for adverse impacts on sustainability factors taken into account?*

The integration of the 14 mandatory PAI plus 3 optional PAI aimed to build a Corporate Responsibility Rating out of 10. A minimum rating of 4 out of 10 is thus consistent to the DNSH approach (Do No Significant Harm to the social or environmental objectives) in addition to two binding PAI (PAI 10- Violation UNGC and PAI 14- Controversial weapons).

- *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Issuers that did not comply with the principles of the United Nations Global Compact were unfavorably rated for Corporate Responsibility in the ABA tool. Issuers with controversies or in severe breach to UN Global Compact Principles (example: human rights or fight against corruption) based on the internal approach were excluded from the portfolio through the worst offenders list after internal analysis.

The "internal approach" as described below allowed the Asset Manager to define a list of issuers identified as being in breach of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and which have been qualified as having committed a "severe breach" by the Management Company's Ethics Committee. These issuers were therefore included in an exclusion list of the "worst offenders" and which are prohibited from investing.

To perform this analysis, the Management Company used an external data provider's database to:

- 1) Extract issuers with "norms based" alerts
- 2) Filter out irrelevant issuers
- 3) Qualitative analysis of the infringements by the Management Company's Ethics Committee
- 4) Include issuers identified as having committed a "severe breach" in the list of worst offenders

Hence, the sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Unaudited information (continued)



How did this financial product consider principal adverse impacts on sustainability factors?

For Private issuers, The Sub-Fund took into account the principal adverse impacts on sustainability factors.

- The Principal Adverse Impact analysis was part of the Corporate Responsibility Rating
- The Asset Manager has implemented an Adverse Impact on Sustainability Policy, measuring the PAI. The Policy first intended to monitor the contributions to climate change (CO2 emissions, CO2 intensity, implied temperature) in the context of the "Climate Trajectory" objectives

For public issuers, the Sub-Fund took into account the principal adverse impacts on sustainability factors.

- The Principal Adverse Impact analysis was part of the Country Rating
- The Management Company has implemented an Adverse Impact on Sustainability Policy, measuring the PAI. The Policy first intended to monitor the contributions to climate change (CO2 intensity) and social issues (Country submitted to social violation, average income inequality score) and corruption (average corruption score)



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period (2022).

Top investments of the portfolio, as of December 30th, 2022:

Largest investments	Sector	% Assets under management	Country
Intesa Sanpaolo SpA	Banks	2,44%	Italy
Iberdrola International BV	Utilities	2,29%	Spain
UniCredit SpA	Banks	2,18%	Italy
Thermo Fisher Scientific Inc	Health Care	2,09%	United States of America
Stora Enso Oyj	Basic Resources	1,96%	Finland
Orsted AS	Utilities	1,90%	Denmark
HCA Inc	Health Care	1,88%	United States of America
Huhtamaki Oyj	Industrial Goods and Services	1,77%	Finland
EDP - Energias de Portugal SA	Utilities	1,67%	Portugal
Banco Bilbao Vizcaya Argentaria SA	Banks	1,65%	Spain
Somfy SA	Industrial Goods and Services	1,57%	France
Alstom SA	Industrial Goods and Services	1,50%	France
SPIE SA	Construction and Materials	1,35%	France
Novo Nordisk A/S	Health Care	1,35%	Denmark
Avantor Funding Inc	Health Care	1,33%	United States of America

The above Sector classification can differ from the one used in the financial periodic report.

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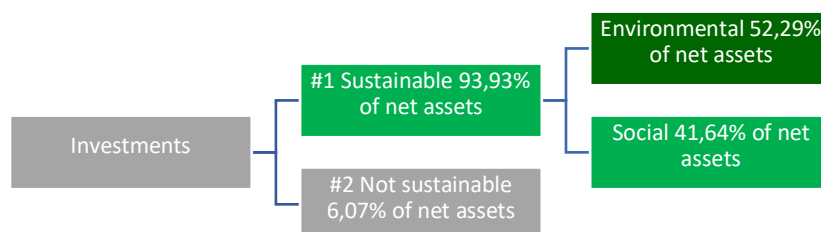


What was the proportion of sustainability-related investments?

As of December 30th, 2022, the Sub-Fund invested 93,93% of its net assets in "sustainable investments". The remaining portion of the Sub-Fund's portfolio (#2 Not Sustainable) consisted of financial derivative instruments, cash, cash equivalent, money market instruments and money market funds held on an ancillary basis either for hedging purposes, managing the liquidity of the portfolio and/or reducing any specific financial risk. 100% of the Sub-Fund's investments (excluding financial derivative instruments, cash, cash equivalent and money market funds) were composed of sustainable investments.

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?**



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

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

- **In which economic sectors were the investments made?**

The investments were made in the following economic sectors:

Sectors	% of assets
Automobiles and Parts	3,32%
Banks	11,04%
Basic Resources	1,96%
Chemicals	3,82%
Construction and Materials	4,34%
Consumer Products and Services	2,31%
Containers and Packaging	0,00%
Energy	0,00%
Financial Services	1,18%
Food, Beverage and Tobacco	3,80%
Health Care	19,57%
Industrial Goods and Services	15,43%
Insurance	0,00%
Media	0,00%
Personal Care, Drug and Grocery Stores	1,90%
Pharmaceuticals	0,00%
Real Estate	1,36%
Retail	1,10%
Technology	8,95%
Telecommunications	0,51%
Travel and Leisure	0,00%
Utilities	14,49%

The above Sector classification can differ from the one used in the financial periodic report.

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To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The data available as of today, issued from the companies, are not yet complete, exhaustive, and reliable. DNCA Finance will disclose sustainable investments with an environmental objective aligned with the EU Taxonomy as soon as such data are available with the appropriate level of quality.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- turnover reflecting the share of revenue from green activities of investee companies.

- capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

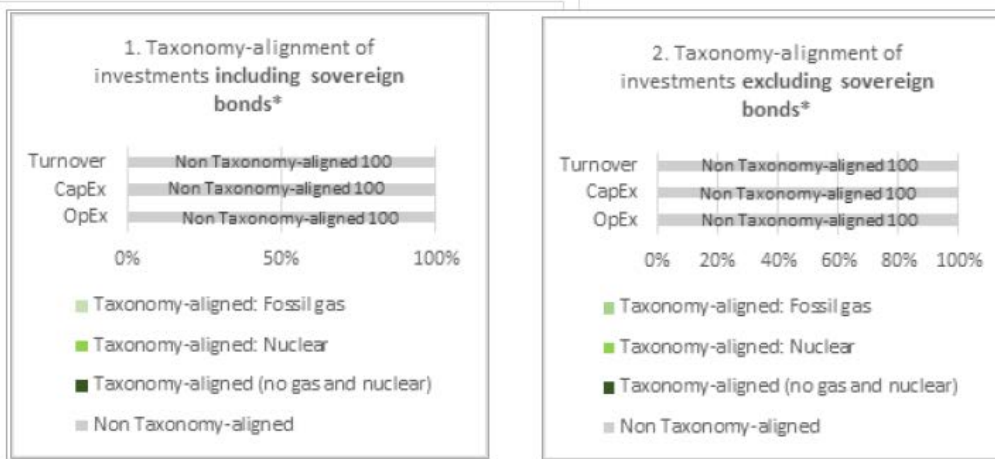
- operational expenditure (OpEx) reflecting green operational activities of investee companies.

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

- Yes
 - In fossil gas
 - In nuclear energy
- No

Not applicable

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What was the share of investments made in transitional and enabling activities?**

Not applicable

- **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The Sub-Fund invested 52,29% of its net assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy Regulation (given the lack of taxonomy data, DNCA Finance considers that all environmental investments are not aligned with the EU Taxonomy).



What was the share of socially sustainable investments?

The Sub-Fund invested 41,64% of its net assets in sustainable investments with a social objective.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The investments included under “Not Sustainable” could consist of financial derivative instruments, cash, cash equivalent, money market instruments and money market funds held on an ancillary basis either for hedging purposes, managing the liquidity of the portfolio and/or reducing any specific financial risk.

These investments did not have specific environmental or social safeguards.



What actions have been taken to attain the sustainable investment objective during the reference period?

In line with a fundamental approach of the management team, the investment process was based on the following three stages:

- The first step is to exclude companies with high corporate responsibility risks (minimum score of 4/10 in the Management Company’s proprietary model). This selection fulfils the conditions of the French SRI Label
- The second step is based on the selection of companies identified to meet the Sub-Fund’s sustainable strategy
- The third step is to build a portfolio pursuant to a fundamental analysis, the liquidity and the valuation of the companies considered.

As part of the promotion of such characteristics, the Sub-Fund principally considered the following ESG matters:

- Environment: GHG emissions, airborne pollution, waterborne pollution, water consumption, land use
- Social: Excessive CEO Compensation, gender inequality, health and safety issues, child labour
- Governance: Monitoring corruption and bribery, tax avoidance
- Global ESG quality rating.

The ABA scoring is the proprietary tool of analysis and Corporate Responsibility Rating used to anticipate companies’ risks especially looking at the relationship with their stakeholders: employees, supply chains, clients, local communities, and shareholders..., regardless of the sector of activities.

The ABA analysis of corporate responsibility is broken down into four pillars:

- Shareholders responsibility (board of directors and general management, accounting practices and financial risks, etc.),

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- Environmental responsibility (environmental footprint of the production chain and product life cycle or responsible supply, energy consumption and water consumption, company CO2 emissions and management of waste, etc.)
- Responsibility towards workers ethics and working conditions of the production chain, treatment of employees – safety, well-being, diversity, employee representation, wages, quality of products or services sold, etc.) and,
- Societal responsibility (Product quality, safety and traceability, respect of local communities and human rights, etc.)

This in-depth analysis, combining qualitative and quantitative research, leads to a rating out of 10.

Moreover, with respect to investments in government bonds, this asset class was subject to an extra-financial analysis in 7 dimensions comprising:

- Governance: Rule of law, Respect for freedoms, Quality of institutions and the regulatory framework
- Politics: Democratic life
- Health: Demography and Quality of life
- Education and training
- Social cohesion: Inequalities, Employment, Social protection
- The climate: risks and energy policy
- Ecosystems: resources and protection

The Sub-Fund targeted mainly companies exposed to SDGs. To be eligible to the investment universe, issuers must comply with the following criteria which are based on a "pass-fail" approach:

- minimum 5% revenues exposed to SDGs, according to the internal classification framework based on Sustainable Transition Activities (demographic transition, and/or healthcare transition, and/or economic transition, and/or lifestyle transition and/or ecologic transition)
- minimum rating of 4 out of 10 on Corporate Responsibility Rating (taking into account controversies and PAI) combined with the exclusion policy, integrating the Do Not Significantly Harm on any environmental or social objective (see below)
- minimum rating of 2 out of 10 on Governance (Corporate Governance Practices).

All investments in this asset class are subject to an in-depth analysis of these dimensions and of a rating that is taken into account in the investment decision.

Furthermore, the DNCA Finance Team is implementing an engagement policy with many companies, focusing especially on companies with an unfavourable or strongly diminishing Responsibility score, or with an accumulation of controversies, or with an unfavourable policy and actions regarding the climate change..

The engagement process, which aims to serve the ESG objectives of the product, is carried out in several steps:

1. Identify targets for proactive and reactive engagement among issuers in DNCA Finance's investments, following on from the alert system set up as part of sustainability risk and negative impact management
2. Implement an engagement plan for the identified engagement targets, monitor the engagement process and measure the results
3. Integrate the results of engagement actions into investment decisions

DNCA Finance's **proactive engagement** aims to encourage companies to develop better transparency and management of their ESG issues, through an ongoing dialogue. The **reactive engagement** process is an escalation process that relies on the alert mechanism in place for sustainability risk and negative impact management. The engagement actions can include requests for corrective actions and the possible decision to disinvest ("worst offenders"). DNCA Finance also participates in **collective initiatives** for coordinated and/or collaborative actions to promote best practices on systemic or transversal topics, concerning certain issuers, ESG issues likely to generate sustainability risks and/or negative sustainability impacts,

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and compliance with the principles of the Task Force on Climate related Financial Disclosure (TCFD) and the Task Force on Nature related Financial Disclosure (TNFD).

The fund DNCA Invest Beyond Alterosa respects all the criteria of the French SRI label, such as:

- Explicitly defining the ESG strategy and measuring the result of the implementation of this strategy
- Establishing a general voting policy and resources consistent with the fund's objectives
- Internally controlling the compliance with SRI portfolio management rules and clearly describing them to investors: the ESG processes used within the framework of the fund's management strategy (ABA scoring, management of exclusions, management of sustainability risks, management of negative impacts, etc.) are included in the asset management company's internal control plan, and as such are subject to effective control of their application, both at the first level (operational) and at the second level (Internal Control and Compliance)
- Monitoring the ESG performance of selected issuers

All information on the external sources of information used in the ESG analysis, the contracts signed with the third parties and the methodology for using external data are provided, as well as available information on the human resources dedicated internally to the ESG analysis.

Moreover, on the equity side, L'Oréal has been excluded from the fund's portfolio, and on the bond side, the following companies have been excluded:

- DUFY ONE BV
- VMED O2 UK FINAN
- AXA SA
- CELLNEX TELECOM SA
- VODAFONE GROUP PLC
- ABERTIS FINANCE BV
- EC FINANCE PLC
- ILIAD HOLDING SAS
- COTY INC
- CARREFOUR SA
- CELLNEX FINANCE CO SA
- TDC NET AS
- VZ VENDOR FINANCING
- IMA INDUSTRIA MACCHINE
- ACCOR SA

These stocks exited by December 30th, 2022, since they are not sustainable investments according to the DNCA Finance internal classification (transition exposure < 5%).

The engagement report of DNCA Finance can be accessed [here](#).



How did this financial product perform compared to the reference sustainable benchmark?

Not applicable

- ***How did the reference benchmark differ from a broad market index?***

Not applicable

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable objective?***

Not applicable

- ***How did this financial product perform compared with the reference benchmark?***

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Not applicable

- ***How did this financial product perform compared with the broad market index?***

Not applicable