RESPONSE TO THE REQUIREMENTS OF ARTICLE 173-VI OF THE FRENCH LAW ON ENERGY TRANSITION FOR GREEN GROWTH

ESG information and Carbon Footprint related to the investment management activities of ELEVA Capital

Data as of 31st of December 2020

Contents

ELEVA ESG philosophy

At ELEVA Capital, we are convinced that the investment community has a critical role to play to make our planet a better place to live in. Since our inception, sharing the value we create with the most deprived people has been at the heart of our corporate purpose. This was a breeding ground to go beyond, because sustainability means more to us than having a strong philanthropic approach.

As asset managers, we can support the transition to sustainable development and magnify the impact we have on society through our investments. Our goal is to deliver sustainable returns to our clients. And we believe that the best way to do so is investing in companies that are fit for the future. Companies committed to an ambitious sustainability path benefit from growth opportunities while properly managing their risks; two strong performance drivers over the long term. Environmental, social and governance (ESG) criteria are financially material. This is why we firmly believe that taking them into consideration in our investment process helps us deliver solid performance. This is also why we think that doing so is inherently part of our fiduciary duty.

Being a responsible investor also means helping our investee companies improve their ESG credentials. This encompasses playing an active role during proxy seasons and engaging with them throughout the year. By allocating capital to the most virtuous companies, we also send a signal to all others, pushing them to step up their efforts.

Our commitment to responsible investment is a journey. We have laid solid foundations on which we will continue to build on. Our next milestones are the roll out of ESG integration in all our funds and our first foray in the field of impact investing, a new investment strategy for ELEVA Capital, fully aligned with our DNA.

ESG in practice in 2020

We consider sustainability research an integral part of fundamental analysis; it brings out novel facets of investment cases motivating our investment decisions. In particular, through a dynamic analysis of sustainability-related risks and opportunities of each investment case we identify companies with proactive risk management strategies, innovative forward-looking and long-term approaches to business management and an ambition to contribute to the global sustainable growth. We look to actively support those engaged in an ambitious sustainability journey throughout the entire holding period.

Our core investment objectives are to leverage on sustainability risks and opportunities whilst generating outperformance within a defined investment horizon. We also aim to provide concrete changes in a companies' behaviour, which could bring about both an investment opportunity in terms of new innovative sustainability business solutions, and along with it a real change on the ground.

As a result, we have chosen to materialise our ESG philosophy via ESG Integration (i.e. the integration of ESG information into bottom-up fundamental company analysis) combined with increasingly strong Shareholder Engagement and Active Voting practices. Several Exclusions (negative screening) have also been implemented as part of our ESG strategy with the objective to avoid extreme ESG risks.

Our strategic ESG goals for 2020 in accordance with ELEVA ESG philosophy were:

- To prevent our Funds exposure to extreme ESG risks by excluding continuously highly controversial companies from investment (*See* "*ESG Exclusions*" hereafter).
- To control our Funds exposure to manageable ESG risks by not letting any company demonstrating high level of controversies or questionable ESG scores to enter the portfolio without a prior analysis and a validation by our investment team (*See* "*ESG Integration*" hereafter).
- To accompany investees in the management of their ESG risks & opportunities through systematic engagement actions (*See "Active Ownership"* hereafter).
- To stimulate energy transition by exclusively selecting companies engaged in decarbonisation (*See* "*ESG Integration*") within highly CO_2 intensive sectors.

From our strategic perspective, we view sustainability factors as fair and '*real'* value drivers of our investments that serve the global purpose of ELEVA investment strategies, which is to generate a sustainable outperformance. Therefore, we form analysis specific to each of the three pillars of our sustainable investment approach: Environmental, Social and Governance-related (ESG).

We strongly believe that integrated environmental management by companies covering all aspects of their business activities can bring about better risk management in terms of the minimisation of physical, transition as well as global systemic and intrinsic risks related to the degradation of natural capital and, consequently, of economic performance of companies in the medium and long term. Beyond risk management, strong environmental management contributes to the ability of many companies and sectors to secure projects, new contracts and their sustainable presence on territories. Such presence relies highly on the preservation of soils fertility, biodiversity and a balanced natural resources usage to guarantee a sites productivity, stable procurement as well as a final products' quality.

Social factors complete the approach. A better dialogue with employees and further inclusion of a company in a local economy could in many cases generate a reduction in potential social risks and increase the proper stimulation of human capital. The gains resulting from the stabilisation of procurement flow and creation of robust and sustainable supply chain also present real opportunities. Sustainable social approaches by companies may also procure social change in regions by securing and empowering local actors in terms of employment, equal opportunities and protection of vulnerable members of society.

Within the sustainable development framework, the quality of corporate governance plays a strong role and is fundamental to providing better environmental and social risk management as well as a sustainable growth orientation. With an independent and diverse governance structure, a diverse and dynamic executive management and a proactive inclusion of stakeholders (employees, suppliers, clients, shareholders, including minority shareholders, local population, etc.) in the decision-making processes, businesses develop a new forward-looking long-term strategic vision and adopt aligned incentives; this could rapidly become a competitive advantage. This advantage is often accompanied by a company's contribution to the development of responsible business behaviour across industries and, consequently, to fair competition and sustainable functioning of markets. The so-created dynamics benefit final consumers directly in terms of just prices and improvement in products' quality.

Our investment objectives inherently look to identify and avoid ESG risks and to capture ESG opportunities in terms of financial performance. In some cases, some of these opportunities could also be associated with positive changes on the ground (in the real economy). We, however, do not specifically assess such final impacts.

From 2021 onwards:

ELEVA's commitment towards sustainable investing has intensified over the past few years. At the end of 2020, the ESG team was reinforced and a very ambitious roadmap has been set for the next 2 years.

The first achievement has been the development and the roll out of ELEVA's proprietary multi-stakeholders scoring methodology. The main characteristics of our methodology are the following:

1. ELEVA Capital methodology assesses companies' behaviour vis a vis their 5 stakeholders: Shareholders, Employees, Suppliers, Civil Society (including Customers and States), Planet. The main advantage compared to the traditional ESG approach is that it allows a better analysis granularity for important topics (that can be diluted in a traditional approach with only 3 pillars). The final score, ranging from 0 to 100, can be disclosed either through the 5 pillars or on a more traditional "ESG" format. The scoring is built in such a way that we reward performances & achievements much more than targets & commitments. We avoid rewarding policies. We favour quality of ESG information rather than quantity. Controversies are reflected in the score through a penalty of up to -20 points.

2. We focus on key material issues by sector... ELEVA's materiality matrix has been inspired by SASB Materiality Map® and the principles of double materiality. It helps analysts to identify the most material issues by sector and set the weightings of the different criteria and sub-criteria.

3. …And a limited number of topics to avoid the noise.

4. Conclusions are based on high quality analyst input… supported by ESG raw data sourced externally (from Bloomberg and MSCI) and internally (annual reports findings, interactions with companies). All investment team members have been trained to score companies using the ELEVA's multi-stakeholders scoring methodology.

5. This analysis brings value to:
   - analysts, as it may raise new topics that will enrich fundamental analysis;
   - portfolio managers, having a better understanding of key non-financial risks and opportunities
   - corporates, as the starting point for targeted engagement

Long only equity funds have started to implement this scoring and we aim to reach 100% coverage with our proprietary methodology by mid-2021 (already 100% for the Eleva Sustainable Impact Fund and c. 40% in all the others). A minimum score is being implemented for each of these funds. We then aim to apply for the French SRI label for some of our funds.

As mentioned above, we have started the transition from our current ESG data provider – Sustainalytics, towards the use of ESG data from MSCI (mainly raw data, controversy data, exclusion lists).

A Coal policy and a new Exclusion policy have been defined. Both came into force in January 2021 and rely on external data (MSCI).

Controversies are now either part of our Exclusion policy (Global Compact Violations) or reflected in our ESG score.

In 2021, we also plan to strengthen our Voting policy and our Engagement practices.

All of these and possible additional transformations will be conducted throughout 2021. Our next “Article 173 Report” will contain all information on the evolution of our ESG Integration, Exclusion and Controversy management approaches as well as our engagement strategy and voting practice.

Note that the data used in this report is provided by Sustainalytics. The full transition from Sustainalytics ESG data to MSCI ESG data and proprietary ESG scores is expected by mid-2021. The current report presents ESG practices of ELEVA as applied during FY2020 without considering recent transformations.

List of UCIs covered by ELEVA ESG Integration strategy

Our approach to ESG factors integration is applied to the integrity of our equity products representing 7.9 billion € under management at 31/12/2020.

- ✓ ELEVA European Selection: €3 964 million
- ✓ ELEVA Euroland Selection: €650 million
- ✓ ELEVA Absolute Return Europe: €2 343 million
- ✓ ELEVA Leaders Small and Mid-Cap Europe : €288 million
- ✓ ELEVA Sustainable Impact Europe : €21 million
- ✓ Mandates: €538 million

For the time being, fixed income funds only apply ELEVA's Exclusion policy.

1. ELEVA approach to integrating ESG criteria into investment decision-making

Since its creation, ELEVA Capital has been a signatory of the United Nations' Principles for Responsible Investment (UN PRI) and thus intends to meet its commitment to responsible finance. This commitment is an integral part of ELEVA's overall approach to corporate social responsibility (CSR), which is gradually being implemented by the management company. ELEVA's CSR initiatives outline the integrity of its activities and considers each of the company's stakeholders.

Since the creation of ELEVA Capital, a partnership has been established between UNICEF and the management company through its foundation. Each year, ELEVA Capital donates 9.9% of its profits to UNICEF with the objective to finance emergency crisis and a selection of UNICEF long-term projects chosen by ELEVA Capital employees. To be consistent with this philanthropic approach, the management company is increasingly integrating environmental, social and governance-related (ESG) criteria into its investment management strategy aiming to ensure that the benefits shared within this partnership come from the '*sustainable*' performance of the companies it is invested in.

ELEVA Capital's management team actively manage European equities based on fundamental analysis and in-depth knowledge of selected companies, without bias of style, sector or geographical area. The ESG criteria analysis contributes significantly to a better knowledge of these companies and a better assessment of investment risks and opportunities. In essence, ELEVA Capital has always integrated this ESG approach into the analysis of the companies held in the portfolios managed.

Since Q4 2020, ELEVA has committed to progressively score on ESG criteria, all investee companies in its equity portfolios, according to its newly developed proprietary tool.

Non-financial analysis seeks to understand the behaviour of a given company towards its main stakeholders. This is why, ELEVA's proprietary ESG methodology aims to assess companies' behaviour vis a vis their 5 stakeholders: Shareholders, Employees, Suppliers, Civil Society (including Customers, States and Communities) and the Planet. The main advantage compared to the traditional ESG approach is that it allows a better analysis granularity for important topics that can be diluted in a traditional approach with only 3 pillars. The score ranges from 0 (worst score) to 100 (best score).

The main characteristics of ELEVA's ESG scoring methodology are the following:

- **A clear focus on key material issues by sector**: ELEVA's materiality matrix (inspired by SASB Materiality Map® and by the principles of the double materiality) has been designed to help analysts to identify the most material issues by sector. 11 sectors have been defined and each has its own set of weightings for each criterion and sub-criterion.
- A **limited number of criteria** for each sector to avoid "the noise".
- The scoring is built in such a way that **it rewards performances and achievements** much more than targets and commitments, the latter being themselves more

rewarded than policies and transparency. The goal is to avoid the usual "transparency" bias many external ESG data suppliers suffer from.
- A penalty of up to 20 points can be deducted from the score to reflect **the level of controversies**. Controversies are analysed with the help of MSCI ESG Research and RepRisk.
- The final score can be disclosed either through the 5 pillars or on a more traditional "ESG" format.

Some examples of criteria are listed below:

- Shareholders: Management track record, Management remuneration scheme, skillset diversity at board level, overboarding, board independence, poison pills, related party transactions, …
- Employees: Management of human capital, reputation as an employer, employee turnover, retention initiatives, safety and security risk management…
- Planet: company's climate change targets & commitments, energy management performances, biodiversity risks assessments, products lifecycle management, …
- Suppliers: risk management in the supply chain, quality of the supply chain audits, engagement with suppliers, …
- Civil Society: product quality & customer satisfaction, tax transparency, anti corruption policies, philanthropic approach, …

As stated earlier, ESG risks and opportunities analysis represents an integral part of ELEVA Capital's portfolio selection and monitoring process. Our ambition is to be able to identify companies with strong development potential whilst supporting them to ensure a contribution to the transition towards sustainable development.

Consequently, ELEVA Capital's investment philosophy is based on an approach of ESG Integration and dialogue with invested companies. In 2020, none of the funds (with the exception of the Eleva Sustainable Impact Europe Fund) followed specific ESG selection strategies (*best-in-class*, *best-in-universe*, *thematic selection*, etc.) even though a mix of various ESG information inputs are considered in the bottom-up fundamental company analysis performed by our investment team.

ELEVA ESG Governance and Operating structure is organised and based on our internal data sharing and open discussion culture. As an integral part of our investment strategy, ESG information is considered by all members of ELEVA Capital investment team. All Analysts and Portfolio Managers are sensitive to ESG issues and are encouraged to actively consider them in the investment process. There is a dedicated ESG team of three people: two Portfolio Managers (managing the ELEVA Sustainable Impact Fund) and an ESG Analyst. Our ESG Team works in close collaboration with the other members of the investment team ("the Team"). They actively participate in weekly investment team meetings, presenting regular ESG updates on holdings and sustainability trends. They also continuously work with each of the Analysts and Portfolio Managers individually on the companies in their respective sectors covered. Further to this, each Analyst and PM is involved in integrating non-financial criteria within their investment research. All investment staff receive regular training on ESG topics. In particular, a dedicated session took place in October 2020 on the module "ESG fundamentals" for all of the investment and sales team. A second training session took place in December 2020 to train all investment staff (analysts and PMs) to use the proprietary ESG analysis framework so they could start scoring companies. Since December 2020, the whole investment team has started to score investee companies with the support and quality control from the ESG Team. Since the set-up of ELEVA proprietary ESG methodology, 80 companies have already been scored on ESG criteria.

From a board perspective, sustainable investment practices are overseen by the ESG Team who directly report to Eric Bendahan who is the Chairman and Founder of ELEVA Capital. The global development of the ESG strategy and of the associated ESG processes is overseen by the top management of ELEVA Capital. The ESG team has monthly meetings to update management on the roll out of the ESG strategy.

Under our global Investment Policy, the ELEVA investment team manages European equities in an active and opportunistic way, based on a comprehensive fundamental financial and ESG analysis and in-depth knowledge of selected companies. We are convinced that ESG analysis, as part of our investment process, contributes strongly to a better understanding of companies' activities and allows an effective assessment of related risks and opportunities. Therefore, research on ESG risk and opportunities is fully integrated into ELEVA stock selection and investment monitoring processes. Consequently and as stated earlier, no specific top-down ESG selection process (*best-in-class*, *best-in-universe*, etc.) was systematically applied by ELEVA in its ESG Integration strategy throughout 2020 due to the bottom-up nature of our global investment approach. This approach may evolve in the future. Note that the *current report presents ESG practices of ELEVA as applied during FY2020 without considering recent transformations described on page 5 of this "Report".*

As an active manager, ELEVA Capital also grounds its investment philosophy on close relations with companies. Through regular dialogue with companies and our active voting practices we aim to better evaluate the management of ESG risks and opportunities by investees, to share our values with them, to alert them on material issues for their businesses.

Therefore, ELEVA's approach for integrating ESG criteria into investment analysis and decision-making was based in 2020 on three dimensions: ESG Integration, ESG Exclusions and Active Ownership.

ESG integration and controversies management

We understand ESG Integration as the practice of consideration of investment case-specific ESG information into bottom-up fundamental analysis and global investment research. The objective of this practice is to consider all available issuer-related information in order to be able to identify properly the associated potential risk-adjusted return.

The process of ESG integration within our investment practices relies primarily on the systematic consideration of ESG criteria by our investment team at the fundamental research step with the objective to identify the main ESG risks and opportunities associated with activities and processes developed by companies. The investment team considers ESG information specific to every investment opportunity (company-relevant) as well as to its sector and geographical position. Consequently, the final investment decision can be influenced by the consideration of material ESG information.

Our strategy in terms of incorporating environmental, social and governance-related (ESG) factors into the fundamental analysis is performed via three main steps:

- ESG research and consideration in the analysis of issuers, all available extra-financial information from external and internal sources, including (but not limited to) associated ESG performance scores and ESG raw data;

> *The entire investment team has direct and real-time access to the Sustainalytics ESG database as well as other ESG data sources. This allows analysts and managers to take into account the ESG rating of companies when making investment decisions and to regularly monitor the ESG performance of securities in our portfolios managed.*

- Relevant ESG signals are continuously integrated into and reflected in our final investment decisions taken by the investment team, i.e. information on ESG performance of a company can lead to a decision to buy, hold or sell its shares;

> *In 2019, we integrated new external ESG research sources allowing an almost 'real-time' follow-up of ESG performances of companies to be able to act in a most reactive way to the appearance of any relevant ESG issues. Namely, we work with RepRisk, Bloomberg and the ESG research received from brokers.*

- Specific ESG Watchlist tool was used systematically to identify and tackle high ESG risks preventing the investment team from investing in companies without proper ESG risk assessment prior to investment.

> *ESG Watchlist aims to control our investments in such ESG-sensitive activities as thermal coal, nuclear weapons and in companies showing potential high ESG risks (high ESG risk and controversy scores, including risk of UN Global Compact violation). Investment in companies identified via Watchlist is possible only after a thorough review by our internal ESG Committee or by ESG Team.*

An ESG Committee decision is necessary for investing in companies exposed to:

- Thermal coal-related activities (extraction and coal-based electricity generation);
- Nuclear weapons manufacturing and distribution;
- High ESG risks in terms of ESG risk score (>40 / 100 according to the Sustainalytics rating methodology) and of controversy scores (incidents of Level 5 / Positive outlook and of Level 4 / Neutral outlook based on Sustainalytics scale).

The decision is taken through discussions based on a Deep Dive analysis of a company (significance of ESG risks, management position, dialogue opportunities). The ESG committee is composed of: portfolio manager, ESG Specialist, analyst of the investigated company, Risk Manager. For cases such as a suspicion of UN Global Compact violation and exposure to medium ESG risks and controversies, a comprehensive analysis is performed by our ESG Team and presented to the investment team at the closest meeting (weekly).

ELEVA Capital's investment team also actively and regularly monitor the ESG performance of all companies in the portfolio. Thus, the evolution over time of our ESG opinion attributed to companies for their sustainability performance is closely monitored. Our Investment Team, including our ESG Team regularly meet with companies directly or during ESG roadshows to clarify and update the available information on their ESG initiatives and results. ESG ratings allow the investment team to prioritize investment cases that would have the same expected return. The management team considers that a company with the best ESG performance has less risk and could potentially lead to a better risk/return profile. A deterioration in the ESG performance of a security, as well as an appearance of a significant controversy, can be interpreted as a deterioration in the expected risk/return ratio, and thus have an impact on the valuation determined by the management team on a given company and, possibly, on its presence in the portfolio.

Given a very dynamic bottom-up character of our ESG approach, we do not define any exclusion threshold in terms of minimum aggregated ESG score. However, we do explicitly discriminate companies on the basis of their controversy score (level) defined by one of our ESG data providers - Sustainalytics.

Management of controversies (incidents) represents an important part of our approach. The score attributed to an issuer in case of controversies is carefully monitored as well as the duration of such controversies. For this purpose we use Sustainalytics' controversy-specific research, which allows us to identify companies exposed to incidents and to highlight those with the most controversial behaviour. The Sustainalytics controversy ranking methodology distinguishes between levels of 1 to 5 in terms of controversy importance, with level 5 referring to the most serious, extreme incidents. Since December 2019, we also use RepRisk, a specific incidents research provider, which allows for real-time controversies monitoring based on continuous media screening by their artificial intelligence (AI) system.

The identification and monitoring of controversies are carried out by our ESG Team in collaboration with the investment team on a regular basis; the Team has direct real-time access to the Sustainalytics and RepRisk controversy register. The controversy rating of an issuer is carefully considered. The incidents-related research from these two external sources (as well as other sources like Bloomberg, etc.) is then combined and reviewed internally by our ESG Team, who then produces an internal final research note with a conclusion by company/by issue and shares these conclusions with the investment team.

A controversy rating of Level 5 (extreme controversy) or of Level 4 (severe controversy) with a Negative Outlook results in a strict divestment decision (Exclusion). No companies exposed to incidents of these levels are accepted in ELEVA Funds.

Any controversial company rated at:

- Level 5 with a Positive Outlook or Level 4 with a Neutral Outlook is placed under surveillance (Watchlist) and a decision to invest can be taken only after a comprehensive analysis of the case and its formal validation by the ELEVA internal ESG committee;
- Level 4 with a Positive Outlook or Level 3 with a Negative Outlook is specifically verified by our ESG Team prior to investment, the case is then validated (or not) by the analyst covering the company.

A formal engagement (dialogue) process can be triggered in these cases with the objective to question the executives of companies regarding possible improvement measures. The decision to divest is made in the event of no response or an unsatisfactory response from the company (or an unfulfilled promise of improvement) as part of the engagement process.

No exceptions are accepted within our ESG integration framework. ESG elements are integrated directly within the fundamental analysis specific to each company. We note, however, that in some cases, namely in the case of investing in small and medium companies, we may not have to hand sufficient ESG information to make a fully ESG-informed decision. We involve such companies in our shareholder engagement procedure in order to accompany them in their sustainability initiatives and to stay informed about their overall internal practices and governance quality. As a rule, we aim to have 100% of the holdings within ELEVA Funds covered by ESG research.

Generally, ESG research used by ELEVA Investment Team in our ESG Integration practices represents a mixture of internal and external analysis based on information coming from multiple sources: company public documentation; ESG data providers like Sustainalytics (an award-winning ESG research company), ISS-Governance, RepRisk, etc.; Bloomberg; brokers' research; NGOs reports; etc.

The ESG research is centralised, reviewed and completed by our internal ESG Team. The analyst then publishes ESG opinions on analysed companies on the internal research platform, to which the whole investment team have direct access. The analysts are then responsible for integrating the ESG analysis in their fundamental research. When relevant, an engagement action may be performed with targeted companies by the ESG Analyst together with the sector Analyst. The engagement results are then discussed by the team and may influence investment decisions.

Note that the current report presents ESG practices of ELEVA as applied during FY2020 without considering recent transformations described on page 5 of this "Report". This process will evolve in 2021.

ELEVA Capital engages in continuous improvement and refinement of our ESG Integration processes with the objective to incorporate all sustainability megatrends, in particular the topic of Climate Change for example.

Management of climate change-related risks and opportunities is an integral part of our global ESG risks and opportunities management approach. It is implemented as part of the global ESG risks and opportunities integration by our investment Team.

Climate-related risks and opportunities represent one of the core questions of ESG research today. With the rising wave of economic and regulatory incentives to companies and investors, climate risks become undeniably material for corporate performance and consequently for investment strategies. Given our investment horizon, we are potentially more directly exposed to medium-term physical climate risks via our investment choices. We are conscious of this direct exposure and consider relevant information at the point of making an investment decision. Furthermore, we consider that it is necessary to monitor long-term climate strategies of companies invested in.

For industrial, materials, mining, transport (aero, auto, etc.) and energy sectors (which have become difficult to invest in today) amongst others, we notice the existence of a true imperative to proceed to a rapid and positive transformation giving rise to climate opportunities: transition towards the use of alternative energy sources and alternative raw materials, new efficient and sustainable modes of production, distribution and consumption, the achievement of energy efficiency globally, etc. These material issues are integrated by our investment team in the fundamental analysis of investment cases. As a result, these topics can affect our final investment decisions.

Even if a number of these risks and opportunities occur in the medium term, the investment team of ELEVA Capital consider them to be a part of a long-term global trend, which requires further advancements in risk management strategies and methods. We are continuously working on improvement of our ESG approach and would potentially work on this point in the future.

Currently, we regularly consider carbon emissions exposure (risks) as well as carbon reduction opportunities in the analysis of companies. We monitor and report on the carbon footprint of our portfolio (Scope 1 & 2 of carbon emissions) and started to dialogue with some investees on the Scope 3 emissions transparency and reduction.

Throughout 2019-2020, we have continued to reduce and are now closely monitoring our exposure to thermal coal (Watchlist) and fossil fuels in general. This means that any investment in a company with thermal coal assets must be validated beforehand by the ELEVA ESG Committee. In terms of management of the thermal coal exposure of our portfolio, we decided to opt for the global '*economy decarbonisation*' approach rather than '*own portfolio decarbonisation only*'. For the companies which still have a coal exposure (if any) we engage with them with the objective to accompany them towards complete decommissioning of coal sites (avoid selling coal assets) in transition to new business models. No companies developing new coal-based projects (extraction or power generation) are accepted for investment under our thermal coal approach; the focus being put on the decommissioning of the existing capacities (*"Coal Exit"*).

Note that the current report presents ESG practices of ELEVA as applied during FY2020 without considering recent transformations described on page 5 of this "Report". This process will evolve in 2021.

ESG exclusions application

Besides the exclusion of companies exposed to extreme controversies (as presented above), other exclusions (*sectoral* and *normative*) applied as part of our ESG integration strategy include:

- Exclusions of companies operating in controversial sectors such as Tobacco / Nicotine;
- Exclusions of companies developing activities related to production and / or distribution of the controversial weapons, namely those defined by the Oslo and Ottawa Treaties (cluster munitions and anti-personnel mines respectively), but also chemical, biological and depleted uranium-based weapons.

These exclusions apply to all companies identified as directly or indirectly implicated in production and / or distribution of controversial products; no thresholds applied. The exposure to the controversial weapons theme is identified on the basis of quarterly updated data provided by *Sustainalytics*. The companies operating in the Tobacco / Nicotine industry are identified based on our internal research.

As presented above, we have also put in place an internal ESG Watchlist tool aiming to control our investments in ESG-sensitive activities as thermal coal, nuclear weapons and in companies showing potentially high ESG risks (high ESG risk and controversy scores, including risk of UN Global Compact violation).

The exclusions and Watchlist procedures are fully automated and integrated in our internal risk management mechanisms.

ELEVA ESG Integration and Exclusion practices as part of the global investment management strategy are complemented by a regular dialogue as well as formal engagement campaigns vis-à-vis investees.

Note that the current report presents ESG practices of ELEVA as applied during FY2020 without considering recent transformations described on page 5 of this "Report". The ESG approach will evolve in 2021.

ELEVA Active Ownership (Engagement & Voting)

ELEVA Capital has developed a strong active ownership approach, which includes regular shareholder engagement practices and an active voting strategy. Engagement practices are decided on a case by case basis and performed by our ESG Team and the investment team. Generally, each formal engagement action is handled by our ESG Team in collaboration with one of our investment team sector analysts, namely the one who follows the sector and the company to engage with. The engagement action is then organised with a focus on specific issues and objectives.

A dedicated register is kept to follow up on our engagement campaigns. At each stage of an engagement action, specific research notes on the evolution of the dialogue are published by the ESG Team and shared with the investment team via an internal platform. The engagement process and results are also discussed with the investment team during weekly team meetings. A final decision on each engagement case is taken collectively by our investment team (ESG specialists, sector analysts and portfolio managers). A divestment decision is possible in the case of unsuccessful engagement action.

Particular attention in our engagement activities is paid to companies with lower ESG performance ratings and companies exposed to controversies. Through a dialogue with the management teams of the studied companies, the investment team seek to identify the ESG practices of the companies with the lowest sustainability rating scores, in order to better assess the risks related to their reputation and / or possible sanctions.

Globally, the Shareholder engagement process is implemented in three steps:

- Identification, prioritisation and analysis of ESG issues by the investment team;

- Discussions with a targeted company in order to identify possible solutions and programme their application by the issuer;
- Analysis and validation of the results of the engagement campaign by the investment team as well as update of the investment decision based on this new information.

In the event of a company's failure to respond to the ELEVA investment team, of an unsatisfactory response or of an absence of improvements (despite promises made), a progressive or immediate divestment is performed by the management team.

For more information on Engagement cases identification and prioritisation as well as on the engagement process itself, please, refer to our Active Ownership Policy available on ELEVA Capital website: https://www.elevacapital.com.

During FY2020, the ELEVA investment team performed 19 formal engagement campaigns. The engagement topics were:

- Specific ESG issues (internal controls quality (whistle-blowing system, compliance framework and internal / external compliance verification methods); employees' working conditions; responsible marketing in gambling and customer protection; etc.);
- Governance-related issues (executive management remuneration practices, governance structure and composition, business conduct and internal control functions (whistleblowing, etc.));
- Global CSR strategy disclosure and development;
- Supply chain management (social and environmental aspects);
- Climate-risks and carbon footprint management (carbon intensity reduction; industry-specific solutions for carbon emissions optimisation; etc.)

The topics are presented in order from most to least frequently discussed during the engagement campaigns.

Engagement with Teleperformance: We had 2 main discussion topics with Teleperformance in 2020. 1/ Engagement around remuneration policy (excessive LTIP) that requires, in our view, a change in their remuneration policy. The Company was attentive and committed to remedy to the issue to the degree possible for the next years' voting period (2021). Still, ELEVA voted "AGAINST" the company's remuneration practices at the AGM 2020 in accordance with the principles of the ELEVA Voting Policy. The issue will be followed up in 2021. 2/ Ongoing collective engagement (with 4 other asset managers) to address governance issues (board independence notably) and social issues (human labour rights, working conditions. Teleperformance responded by the creation in 2021 of a third CSR committee at the board of directors overseeing social and environmental issues as well as the nomination of 2 employee representatives at the board of directors.

Engagement with Solvay: The problem is a wide contamination of soil and water by PFAS in the US. ELEVA contacted the company to discuss the issue, to evaluate the associated risks and to find possible solutions. Given that the case is an actual legal affair in US (of the local and the federal levels); the company provided some brief information, but refused a detailed dialogue, and thus refused the engagement action. For some time we had been monitoring the company looking for more information on the case, but then made a decision to limit our risks and exit the position.
The engagement was unsuccessful as the company refused to enter in a dialogue with the objective to limit external communication given the ongoing litigation on the matter.

Also, regular meetings with companies (at least twice a year during site visits or management meetings) are conducted by the ELEVA investment team in order to question issuers on the means and procedures put in place to develop their ESG strategy.

During these meetings, a manager/analyst seeks to better understand the different aspects of a company's business model, namely the quality of its management team and its strategic vision. In our opinion, governance appears to be one of the most influential ESG pillars in explaining a companies' stock market performance. Therefore, particular attention is given to such ESG criteria as those related to management team experience, Directors independence, the respect for the minority shareholders, Code of Conduct disclosure, transparency and availability of financial and extra-financial information, etc.

The overall number of such company interactions is approximately 150 per analyst per year. Generally, these meetings/visits are distributed as follows:

- Half of this total number of meetings is distributed equally between individual interviews (one-to-one) with company management and meetings in small groups (one-to-few) with company management;
- Another half are group presentations given by a CEO, a CFO or by an Investor Relations Manager (or all three).

ELEVA Capital considers the exercise of voting rights as one of the central means of supporting companies in the management of their ESG risks and opportunities. Our goal is to exercise our voting rights systematically at the General Meetings of the companies invested in (direct participation of our analysts was 99%[5] of total General Meetings in 2020). ELEVA active voting practices are performed with the assistance of our proxy voting provider – *ISS-Governance*, who makes voting recommendations and provides relevant research. Thus, ELEVA Capital benefits from quality recommendations on corporate governance issues, including ESG risk issues, while maintaining control over our voting choices.

The members of our investment team guided by our ESG Team use ISS research and recommendations as a starting information point for our voting decisions. As a result, we review internally ISS recommendations versus company's management positions, complete the ISS research with our own internal analysis and form our final voting decision on each voting item in accordance with our own Voting Policy and, also, based on our knowledge of

[5] The remaining 1% is due to some operational difficulties in processing and recording of voting positions or administrative impediments (e.g., power of attorney requirements, etc.). We are constantly working to minimise operational failures in order to be able to ensure 100% of the votes.

investees and our dialogue with them. For more information on the process of ELEVA voting rights exercise, please, refer to our Active Ownership Policy available on ELEVA Capital website: https://www.elevacapital.com.

During the reporting period, the ELEVA investment team fully exercised our voting rights (with some rare exceptions due to administrative impediments) as expressed in the voting statistics presented below. Voting decisions have been made by our investment team in accordance with our Voting Policy (part of ELEVA Active Ownership Policy) and our deep knowledge of companies invested in. All voting decisions are equally important for us due to our investment strategy (limited number of positions within portfolios).

Votes statistics for the reporting period (in meetings number by Fund)

Voting Meetings Stats by ELEVA fund	ELEVA European Selection		ELEVA Euroland Selection		ELEVA Absolute Return Europe		ELEVA Leaders Small and Mid-Cap Europe	
	Number	%	Number	%	Number	%	Number	%
Votable meetings	59		51		66		66	
Meetings voted	59	100%	51	100%	66	100%	65	98,48%
Meetings with at least 1 vote Against or Abstain	23	38,98%	22	43,14%	32	48,48%	32	48,48%

Source: ISS – overall statistics of votes from the 1st of January to the 31st of December 2020

Total aggregated number of meetings for all ELEVA Funds combined is 145 (during the reporting period), 144 of those (99%) were successfully voted with 69 (48%) of them with at least 1 vote '*Against*'.

Votes statistics for the reporting period (in ballots number by Fund)

Voting Proposals Stats by ELEVA fund	ELEVA European Selection		ELEVA Euroland Selection		ELEVA Absolute Return Europe (Long)		ELEVA Leaders Small and Mid-Cap Europe	
	Number	%	Number	%	Number	%	Number	%
Votable items	987		831		1044		1080	
Items voted	987	100%	831	100%	1044	100%	1057	97,87%
Votes FOR	922	93,41%	758	91,22%	838	80,27%	967	91,49%
Votes AGAINST	63	6,38%	72	8,66%	80	7,66%	88	8,33%
Votes ABSTAIN	2	0,20%	1	0,12%	126	12,07%	2	0,19%
Votes on MSOP*	67	6,79%	73	8,78%	67	6,42%	59	5,58%
Votes on Shareholder Proposals	2	0,20%	1	0,12%	7	0,67%	0	0%

Source: ISS – overall statistics of votes from the 1st of January to the 31st of December 2020

Total aggregated number of proposals for all ELEVA Funds combined is 2,379 for FY2020, 2,356 of those (99%) were successfully voted with 184 (8%) of them corresponding to votes '*Against*'. For the reporting period, 142 of the votes (6%) concerned *Management Say-On-Pay (MSOP)*; this topic was highly present during 2020 voting period. Our negative votes were targeting such topics as compensation practices, Supervisory board composition, proposals on use of capital, etc.

More specifically, the votes '*Against*' related to Environmental, Social and Governance-related issues for the reporting period were distributed (from most to least frequent) mostly among such voting categories as:

- Supervisory Board (Committees) members (re-)election
- Remuneration Policy and LTIP plan validation (Share Option plans; Equity plans; etc.)
- Use of capital (share repurchase plans; issuance of shares; etc.)

- Non-executives remuneration
- Auditors' ratification
- Dividends allocation
- Management or Supervisory board Discharge

As mentioned earlier, in addition to our voting activities, every manager/analyst of our investment team uses meetings with companies as an opportunity to dialogue with companies and to question and challenge them on the means and processes they put in place to improve their ESG strategies and related results.

Please, note that information on voting decisions in relation to specific companies can be made available on demand. Please, contact ELEVA Capital via our website: https://www.elevacapital.com.

Note that the current report presents ESG practices of ELEVA as applied during FY2020 without considering recent transformations described on page 5 of this "Report". The ESG approach will evolve in 2021.

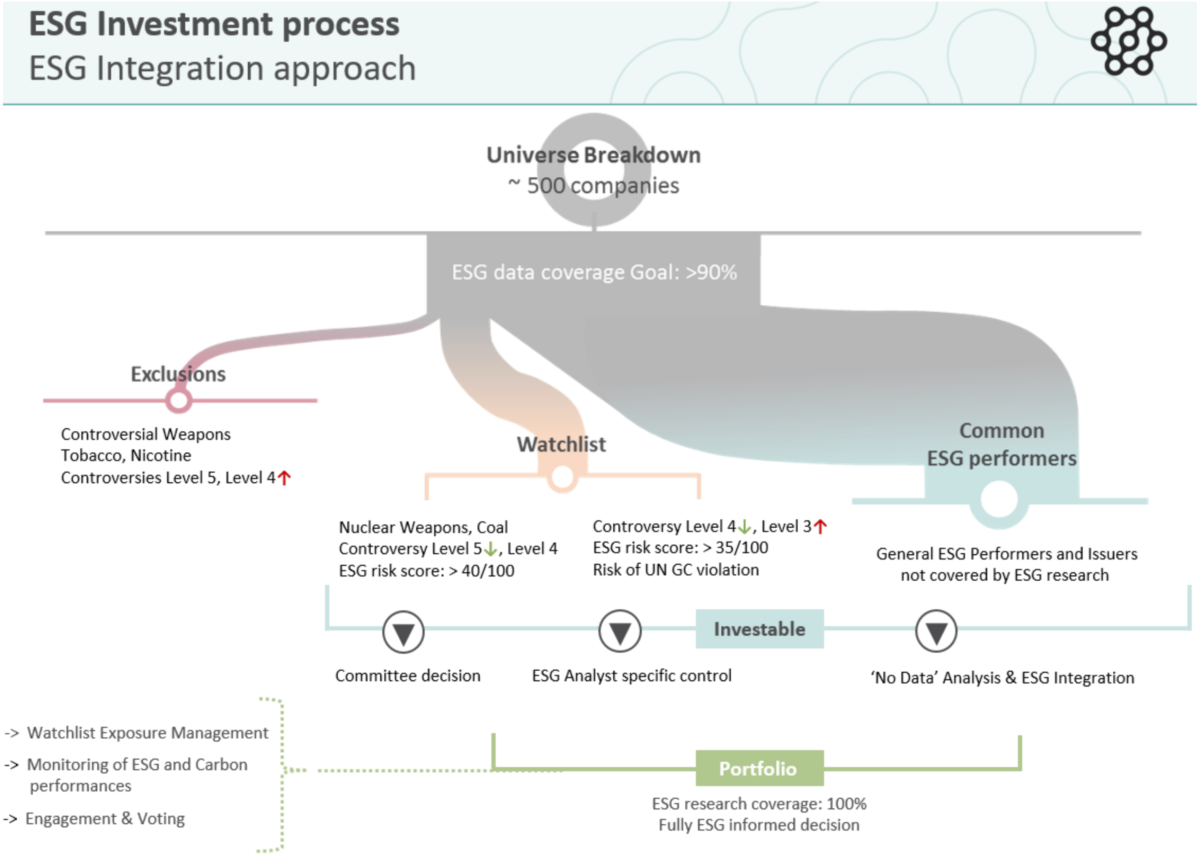
Principles of securities lending / borrowing

As part of its securities lending/borrowing practices, ELEVA Capital recalls all securities for voting on all ballot items. This process is systematic and is carried out for all securities, except the cases when an exception to this procedure is made based on a decision of our top management (no exceptions were made during the reporting period).

Specifically, in compliance with our internal and fully-automated procedure, we restrict all lending operations on a security a few days before the date of the vote in order to have time to repatriate the securities and to exercise the associated voting rights. In practice, we recall securities one week before record date (RD) (sometimes sooner for events with no RD, this is the case of German companies). Once our votes are registered, we remove the restrictions and release the recalled shares for lending (usually one day after the RD).

Our aim is to have 100% of all positions in depot for voting ('*best efforts principle*'). When the stats show less than 100%, this could be due to missing documentation at the local agent or our ballot being rejected for another administrative or operational reason (late for instance). However, generally, in 99% of the time, it is due to missing documentation.

TO SUMMARISE, the overall ESG Integration approach by ELEVA for FY2020 can be outlined by the following chart:



Our starting universe represents approximately 500 companies. Several exclusion criteria are then applied to the universe, among those: Tobacco/Nicotine; extreme controversies and controversial weapons, which reduce our starting universe by around 6% (in number of companies depending on a variable number of extreme controversies). We also put in place our Watchlist procedure consisting in a strict selection among companies exposed to '*ESG-risky*' activities: thermal coal, nuclear weapons or exposed to other high ESG risks (in terms of level of controversies or of ESG risk score). The Watchlist procedure is performed prior to investment as part of the fundamental analysis of investment cases. Furthermore, our ESG Team in collaboration with the investment team controls for the ESG evolution of the medium and strong ESG performers and performs a specific analysis of the companies that are not covered by the research of our direct ESG data provides, like Sustainalytics. All the investees are then continuously monitored during their whole holding period within our Funds.

The current limits of our ESG Integration approach:

- Data availability;
- Data exploitation and methodologies (information consideration not systematically and not explicitly quantified in investment risk assessment / valuation models)
- ESG performance of our Funds vs other strategies / indices is not strategically tracked

Note that the current report presents ESG practices of ELEVA as applied during FY2020 without considering recent transformations described on page 5 of this "Report". The ESG approach will evolve in 2021.

2. ESG & Risk Management

Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet screening criteria.

Screening criteria are embedded in the Order Management System as part of our formal Risk Management procedures. In case an order would impact a company under restriction, the order would become pending. It would then be reviewed by the compliance officer who would confirm the reason for executing the order. If the reason is because of the restrictions imposed by our exclusions policy, then the order would not be authorised, and then cancelled.

Audits of fund holdings are undertaken regularly by our internal ESG Team.

In addition, our ESG Team can perform additional checks on the compliance of the current portfolio holdings with our ESG screening (*Exclusions and Watchlist*) strategies. No Exclusions policy breaches have been identified so far. A few Watchlist breaches have been identified and our internal ESG Committee was called to decide on the identified cases; some of the decisions led to engagements, others to divestment actions on the identified companies.

We note that our Watchlist mechanisms does not necessarily imply divestment; but a collective internal decision (decision by internal Committee) on complex ESG risk cases.

ESG SCORECARDS by FUND

Aggregated ESG analysis at portfolio level

ELEVA ESG Scorecards (aggregated fund level metrics & targets)

The following ESG scorecards present the ESG characteristics of ELEVA's main funds. The ESG scorecard helps understand the alignment of ELEVA's ESG and Climate Change practices with **ELEVA's ESG strategy described in page 7.**

Please note that the presentation of this scorecards will evolve from next reporting (2021) onwards due notably to the change in data provider (from Sustainalytics to MSCI) and the roll out of internal ESG scoring at ELEVA. ELEVA will provide necessary metrics on harmonized basis for comparison purpose going forward.

Current scorecard consists of two main sections:

1) Global ESG Risk exposure of each fund, and
2) Overall Climate Change positioning of each fund.

We use several ESG data sources to feed the scorecard with the most recent and precise data points on each of the KPIs: ***Sustainalytics, RepRisk, Bloomberg*** as well as ***internal and external broker research*** to cover eventual data gaps and to enhance the analysis with additional relevant ESG information.

Moreover, the investment team uses Sustainalytics' ESG research to regularly (monthly) monitor aggregated ESG performance at the Fund level throughout the year. To this end, ESG and carbon aggregated footprint reports of ELEVA Capital's funds are sourced directly from the platform of Sustainalytics and analysed by ELEVA's investment team on the subject of global performance and trend identification. This information allows the team to monitor consolidated ESG performance and Carbon Footprint at the fund level over time and to make informed decisions with the objective of improving it. The analysis also allows the team to trace sector allocation and values' contribution to the overall ESG performance of the fund.

These reports are also used as part of our internal risk management procedure to control for eventual breaches of our ESG approach (particularly, to make sure no severe ESG risk stock was invested in without a proper due diligence prior to its entry in the portfolio; otherwise, a regularisation is needed and performed immediately). In FY2019, following the first implementation of this procedure, several breaches were identified (*RWE*, *Aker*, *Volvo*, etc.). All of them have been corrected within a fixed period of 3 months. In FY2020, the number of watchlist cases within funds has decreased under a strict monitoring of our ESG team. Any presence of companies at risk in term of ESG matters is pointed out here after amongst the *Watchlist cases* in the Scorecards by Fund.

Global ESG Risk Exposure Reporting

The *ESG Risk Exposure* section of the scorecard is organised to respond to our ESG strategic objectives set for FY2019-2020 and, thus is structured in the following way:

- Presentation of portfolio coverage by the ESG research available

Strategic Objectives	*Ensure ESG analysis of every company invested in*
Measures	*ESG research coverage indicator (% in number of companies invested in)*

Targets	*100% companies invested in covered by ESG research (all ELEVA Funds)*
Strategic Initiatives	*1) Extend our access to the Sustainalytics ESG research to guarantee the maximum possible coverage of our investment universe with available ESG data.* *2) Exploit other sources of ESG information: Bloomberg, other ESG data providers (RepRisk), brokers' research to Produce internal ESG research.*
We use Sustainalytics ESG research to establish the global coverage of our funds by homogeneous aggregated ESG data. According to our ESG Integration strategy, we set a target to reach systematically at least 90% coverage of our investment universe (around 500 stocks) and 100% coverage of each of our funds in number of investees. As a result, we present the general coverage allowed by the use of Sustainalytics ESG research as well as details on the companies *Not covered* by Sustainalytics, which are analysed internally by our ESG Team to ensure the 100% fund coverage target.	

- Disclosure of the global ESG Risk Rating and single companies contributions to each fund's ESG risk exposure

Strategic Objectives	*Use ESG Risk scores provided to monitor Sustainability (aggregated) profile of each of the ELEVA Funds and to identify ESG action priorities.*
Measures	*1) Overall ESG Risk score of a Fund* *2) Measures of distribution of companies invested in by their ESG maturity profile.*
Targets	*Systematically identify (at the pre-investment stage) Top as well as Bottom ESG Risk score companies in each of the ELEVA Funds and work with them on relevant ESG matters when necessary*
Strategic Initiatives	*Monitor regularly the overall ESG score of the ELEVA funds as well as the distribution of companies invested in in each Fund according to their ESG score categories. Potentially, to target shareholder engagement actions.*
Using Sustainalytics research we calculate the aggregated ESG risks score, representing the sum of the single companies' scores multiplied by their weight within the fund. Moreover, the fund's investees' distribution by ESG risk category (severe, high, medium, low or negligible*) by their aggregate weight is presented in detail in this section. On this basis, we trace the best and the less positive contributors as well as sector allocation ESG effects on the fund level. This allows us to identify weak ESG elements among the companies invested in and act on them when needed (via voting, engagement or divestment initiatives).	

** The ESG risk scoring system by Sustainalytics is based on a 100 points scale, where the level of 100 points out of 100 represent the most severe exposure to ESG risks and, potentially, the most negligent management of relevant ESG issues. The exposure scale is organised in the following manner: 0 – 10 points (negligible ESG risk); 10 – 20 (low ESG risk); 20 – 30 (medium ESG risk); 30 – 40 (high ESG risk); >40 / 100 (severe ESG risk).*

- Measurement of exposure to controversies

Strategic Objectives	*Enhance the control for negative events (controversies) and their impact on the ELEVA funds' exposure to ESG risks.*
Measures	*Presence of companies exposed to important controversies within the ELEVA funds (in number of companies invested in by fund).*
Targets	*1) Avoid completely investing in companies exposed to extreme controversies*** *2) Ensure proper analysis of significant controversies cases***
Strategic Initiatives	*1) Since FY2019, we use a strict exclusion rule for all issuers exposed to extreme controversies (No ELEVA fund is and will be invested in such companies).* *2) Also, since FY2019, we engage the ELEVA internal ESG Committee***, one of the functions of which is to control for the presence of investees exposed to significant controversies in our Funds via the dedicated Watchlist procedure.*
In this section of the ESG scorecard we also present the exposure of ELEVA Funds to ESG controversies in terms of the number of investees facing negative issues and events of different intensity levels (low, moderate or significant**). The analysis of these controversies as well as of the responses and solutions provided by the concerned companies in this area is carried out by ELEVA Capital's investment team and could lead, namely in case of exposure to significant issues, to a dedicated shareholder engagement action (please, refer to the *Shareholder Engagement* section of this document).	

*** We classify and report controversies according to the following structure:*

Controversy exposure measurement scale

- ***None to Low category**: no controversies at all OR controversies of Level 1 (Sustainalytics' scale)*
- ***Low to Moderate category**: controversies of Level 2 OR of Level 3 presenting Positive or Neutral outlook OR of Level 4 with Positive outlook (Sustainalytics' scale)*
- ***Significant – Watchlist category**: controversies of Level 3 presenting Negative Outlook OR of Level 4 with Neutral outlook OR of Level 5 with Positive outlook (Sustainalytics' scale)*

Companies presenting extreme controversies, i.e. issues of Level 4 with Negative Outlook OR of Level 5 with Neutral outlook (Sustainalytics' scale), are not allowed for investment according to our exclusions and ESG risk management approach as part of our global ESG strategy.

****The information on the ELEVA ESG internal Committee and the Watchlist procedure is presented in the ESG Approach-relevant section of this report.*

Note that the current report presents ESG practices of ELEVA as applied during FY2020 without considering recent transformations described on page 5 of this "Report". The ESG approach will evolve in 2021.

Overall Climate Change Positioning Reporting

Carbon footprint is used as one of the most explicit measures of climate change-related risks in investment management today. It is also one of the TCFD-proposed measures, which can be used to identify and manage Climate change-related risks' exposure of investment funds.

Despite the persistent lack of data, disputable quality and scope of carbon emissions reporting as well as methodological uncertainties on carbon intensity measurements and aggregation, this analytical tool remains one of the most developed today. Thus, we make use of it (among other tools) to provide an analysis of climate change risks exposure of our portfolios and to inform, to the degree possible, our everyday investment decisions. The CO_2 emissions data represents an important part of our climate change risk management strategy in FY 2019-2020. Consequently, the *Climate Change Positioning* section of the scorecard demonstrates information on carbon intensity completed by further climate change-related data and a specific focus on Biodiversity (another fundamental sustainability issue capable of producing a great short and long-term impact on the global social and natural ecosystems).

- Reporting of carbon emissions on the fund level

Strategic Objectives	*Use CO2 emissions data provided to monitor Carbon intensity (aggregated) of each of the ELEVA Funds and to identify action priorities in the field of high, medium or low intensity industries.*
Measures	*1) Weighted-Average Carbon Intensity (Scope 1 & 2 carbon emissions at the fund level) as proposed by FSB TCFD in its 2017 Final Climate-related Financial Disclosure Report.* *2) Scope 3 emissions Intensity at the Fund level (if feasibility and data availability allows)* *3) Availability of carbon emissions data by Scope as based on the actual disclosure by issuers*
Targets	*Identify regularly the issuers/industries of highest carbon intensity within each of the ELEVA Funds and monitor on the evolution of their carbon emissions (in terms of intensity and absolute volumes).*
Strategic Initiatives	*Monitor regularly and publish as part of the annual report the global CO_2 intensity of the ELEVA funds. Potentially, to target shareholder engagement actions on most carbon intensive AND/OR less transparent investees.*

As a general rule, climate change risks are taken into account by ELEVA Capital in its approach of ESG criteria integration into the fundamental analysis of securities as described in the presentation of our ESG Strategy in the previous sections of this document.

Moreover, our investment team uses the annual carbon footprint reporting produced on the basis of data provided by Sustainalytics (Scopes 1 & 2 of carbon emissions as defined in the Greenhouse Gas Protocol classification) and consults carbon data on Bloomberg (namely, for Scope 3 emissions). This allows us to remain informed on the evolution of the ELEVA Funds' aggregated CO_2 intensity as one of the indicators of our exposure to climate change-related risks. Such analysis and reporting process is as follows:

First, the raw data on carbon emissions by investee and by Scope (Scope 1, 2 & 3 emissions treated separately) are delivered by Sustainalytics (for Scope 1 and 2) and extracted from Bloomberg (Scope3).

Then, the carbon footprint is calculated by our ESG Team on a company-level based on the common TCFD compliant formula of *Carbon Intensity* (the revenue data are provided by Sustainalytics).

The Weighted-Average Carbon Intensity on the fund level is then calculated based on the investees' weight within each Fund.

Note that Scope 1 and 2 emissions data can be based on estimations (normally, industry-relevant) and not always on the data effectively reported by issuers. The information we provide in the ESG scorecard allows to identify the portion of the carbon intensity calculated on the reported data vs the portion of *estimated* carbon intensity.

The carbon intensity estimations integrated in the ELEVA Funds' carbon footprint (at the fund level) are provided by Sustainalytics (Scope 1 & 2 carbon emissions). The Scope 3 emissions are yet not included in the Funds' carbon footprint calculation due to data availability issues. However, we note a rising positive trend in carbon emissions reported data availability, including the Scope 3 data.

- Identification of climate change-related risks and solutions

Strategic Objectives	*Enhance the control for ELEVA Funds' exposure to short-term and long-term Climate change-related risks.*
Measures	*Presence within the ELEVA funds of companies exposed to the negative climate change-related factors**** (in % of the number of companies invested in by fund):* • *Thermal Coal assets and activities* • *Oil & Gas assets and activities* • *Stranded Assets reserves* • *Assets and activities vulnerable to physical climate change risks* • *Implication in CO_2 emissions-related controversies*
Targets	*1) Ensure proper analysis of Thermal Coal exposure cases* *2) Enhance progressively the climate-change risks comprehension by our Investment Team with further information on such specific risks (stranded assets, physical risks of climate change, etc.)*
Strategic Initiatives	*1) Since FY2019, we engage the ELEVA internal ESG Committee, one of the functions of which is to control for the presence of investees exposed to Thermal Coal assets and activities in our Funds via the dedicated Watchlist procedure.* *2) Also, since FY2019, we integrate in our analysis a number of criteria (as listed above) and apply the continuous improvement process on the subject of identification, analysis and management of Climate change-related ESG risks.*

We complement the carbon emissions research by further climate-change related data provided by Sustainalytics, namely the information of investees' exposure to Carbon-related controversies, stranded assets and physical risks of climate change as well as the research on the direct detention of fossil fuels assets by investees.

To counterbalance such relatively negative positioning of some companies and to adapt a forward-looking and transition-related viewpoint, we also track positive climate-related trends among industries and investees (via Sustainalytics), like strong effective carbon emissions reduction initiatives by companies and development of low-carbon solutions (products, services, infrastructure, etc.).

*****The Thermal coal and Oil & Gas exposures are identified via the criterion of revenues of a company associated with these assets (their extraction or related energy-generation). This identification is done on the basis of data provided by Sustainalytics, Bloomberg, brokers' research as well as based on our internal knowledge of companies. The exposure to Stranded assets (i.e. fossil fuels resources blocked from usage due to climate change transition risk) is identified by Sustainalytics via the analysis of oil & gas production and reserves of energy-sector companies.*

Physical climate change risks exposure is tracked based on Sustainalytics materiality methodology – for this criterion, we consider all companies for which 'Physical Risks' are identified by Sustainalytics as material (relevant). CO2 emissions-related controversies are also sourced from Sustainalytics controversy data-base.

- Consideration of investees' biodiversity footprint

<table>
<tr><td>Strategic Objectives</td><td>Develop a comprehensive internal understanding and analysis of Biodiversity-related matters and Identify potential means of action on the subject.</td></tr>
<tr><td>Measures</td><td>Presence of companies with activities directly impacting***** ecosystems and biodiversity within the ELEVA Funds.</td></tr>
<tr><td>Targets</td><td>1) Identify investees directly exposed to the theme
2) Initiate internal detailed research of the Biodiversity issue</td></tr>
<tr><td>Strategic Initiatives</td><td>1) Since FY2019, we test available sources of information on biodiversity and for the first time identified investees explicitly and directly exposed to the topic.
2) In FY2020, we continued to study this complex topic and work on the development of internal knowledge.</td></tr>
<tr><td colspan="2">Based on the nature of their activities, the Fund's investees with a high direct impact on Biodiversity (exposure) were identified. These issuers are monitored on the level and quality of their activities related to biodiversity, water and land preservation. Dialogue could be enhanced on this topic.

In a more targeted manner, we also monitor advancements of particular investees on such topics as effluent and waste management, anti-deforestation programmes, sustainable agriculture and sustainable infrastructure construction. These activities are key for the preservation and rehabilitation of natural ecosystems.</td></tr>
</table>

**********The activities 'directly impacting' ecosystems and biodiversity are identified based on Sustainalytics materiality methodology – for this criterion, we consider all companies for which 'Biodiversity programmes'; 'Site Closure & Rehabilitation'; 'Land Use and Biodiversity' and 'Water Risk Management' are identified by Sustainalytics as material (relevant). We then consider the risk management score Sustainalytics attributes to companies for these indicators.*

The progress on these strategic objectives can be monitored via the Fund specific scorecards we present in the next section of this report.

The information is presented in a graphical concise form; with engagement actions being represented by the sign and the Watchlist cases by the sign . Any further details can be made available on demand. For this, please, contact ELEVA Capital via our website: https://www.elevacapital.com.

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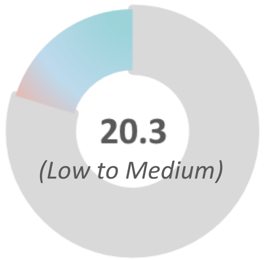
ESG Scorecard ELEVA European Selection

Coverage: 94% (companies covered by ***Sustainalytics*** ESG research: 51 / 54)

***Not covered**: **JDE Peet's BV** works on its CSR approach and identifies relevant ESG topics: supply chain management; Human rights and Fair trade (small farmers' empowerment). Still the approach needs further enhancement. **SoftwareONE** publishes global commitments on their environmental footprint reduction and Human Capital development ("Vision 2022" program). However, there is a need for more concrete ESG targets and results; we continue to follow up the company on this subject. **OSB Group** continues to enhance progressively risk management, governance and business conduct practices as well as IT and data handling processes. On the other hand, sustainability in financial activities as well as B2C customer relations are still to be reinforced.*

OVERALL ESG RISK RATING

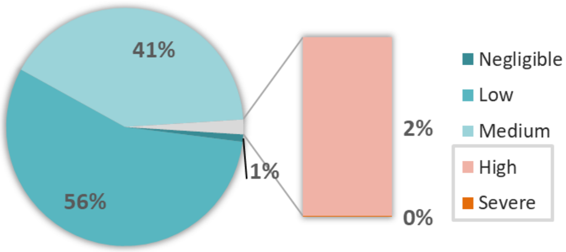


Top ESG Players

Company	Industry	ESG Risk Score	Risk Category	%
Vonovia SE	Real Estate	7.7	Negligible	1.2%
Barratt Developments	Cons. Discret.	10.3	Low	1.8%
Comp. Fin. Richemont	Cons. Discret.	11.3	Low	1.5%
Segro Plc	Real Estate	13.2	Low	1.5%
Air Liquide SA	Materials	13.5	Low	2.1%

Sector ESG Risk exposure: the sectors, which contribute the most to limit the ESG risk exposure of the European Selection fund are *Real Estate, InfoTech* and *Telecommunication Services*. On the contrary, the allocation to *Industrial activities* and *Consumer Staples* increase to some degree the overall ESG risks exposure on the Fund level, this effect is mitigated by the presence of multiple *adequate ESG performers* among these sectors.

ESG RISK CATEGORY BY AGGREGATE PORTFOLIO WEIGHT (%)



Bottom ESG Players

Company	Industry	ESG Risk Score	Risk Category	%
Volvo AB	Industrials	28.5	Medium	2.2%
Melrose Industries	Cons. Discret.	28.8	Medium	2.0%
Veolia	Utilities	29.9	Medium	1.4%
Assoc. British Foods	Cons. Staples	30.1	High	0.6%
Fevertree Drinks	Cons. Staples	30.6	High	1.0%

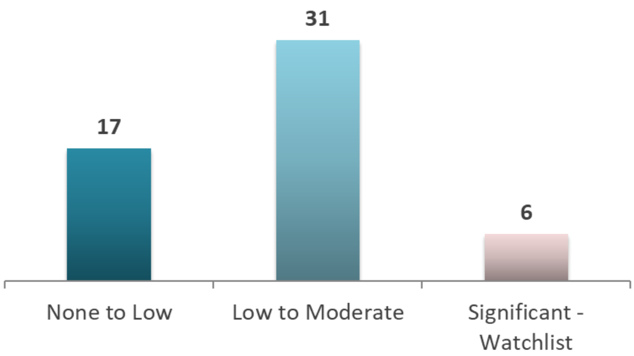
Watchlist: No companies presenting severe ESG risks are identified.

CONTROVERSIES EXPOSURE

The exposure to controversies of the European Selection fund is moderate. About 1/3 of investees are not implicated in any controversies at all (10 out of 17) or are exposed to few mild or one-off incidents. More than a half of investees present manageable issues of limited reach and scope.

Watchlist: *Sanofi* and *Volvo AB* (Level 4 / Neutral outlook) were approved for investment by our internal ESG Committee (information on the Committee decision cases is available on demand). The cases of *AstraZeneca*, *BNP Paribas*, *EDP* and *Siemens AG* (Level 3 / Negative) are monitored by our ESG Team.

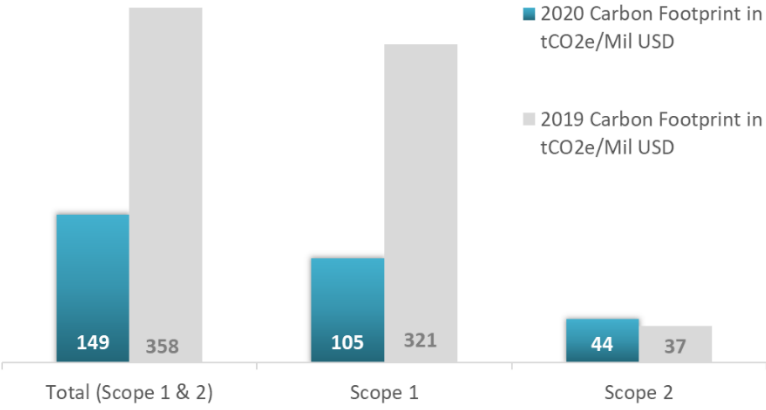
By number of controversies in each category



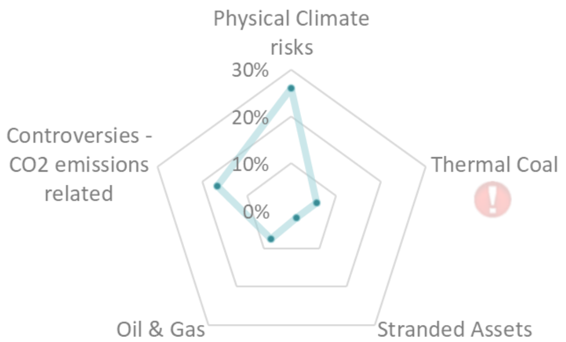
CLIMATE CHANGE – CO_2 EMISSIONS INTENSITY

ELEVA European Selection Fund CO_2 footprint:
149 tCO_2e/Mil USD (*vs STOXX 600 footprint of 159 tCO2e/Mil USD)*
Coverage: 93% in number of investees (50/54)

Top Carbon intensive positions: *Air Liquide*, *EDP*, *Anglo American and Veolia*. *Utilities*, *Energy*, and *Materials* are most intensive industries. Some previously held highly intensive companies (*RWE*) have been divested in relation to the implementation of *ELEVA Coal Policy* in Q4 2020. This contributed to the drop in the Fund's carbon footprint by the end of 2020 (vs 2019).



CLIMATE CHANGE – RISK EXPOSURE (Transition, Physical & Liability Risks)



Watchlist: Thermal Coal exposure is closely controlled by our ELEVA Investment Team. The Fund is exposed to the theme via *EDP, Iberdrola* and *Anglo American* coal assets.

We also note a mild exposure to Oil & Gas industry and, thus, to the stranded assets risk (*Repsol SA*). The biggest challenge represents exposure to activities vulnerable to physical risks of climate change (*Covestro, Sampo Oyj, Sika*, etc.) – relevant for 26% of companies in the Fund. Moreover, 17% of the companies invested in develop projects or activities targeted by emissions-related controversies.

CLIMATE CHANGE – CARBON RISK MITIGATION

Carbon solutions include low carbon activities/products and high quality internal management processes indirectly allowing for a positive trend in CO_2 emissions reduction. They represent **18 % of the Fund's assets**.

Company	Iberdrola	Schneider Electric	Covestro	Alstom	EDP	JD Sports	Melrose Industries	Nesté Oyj	Repsol	SEB SA
Fund %	2,1%	2,3%	2,4%	1,7%	2,2%	1,4%	2,0%	1,4%	1,4%	1,0%
Mitigating Activity	Renewable Energy	Energy Efficiency	Energy Efficiency	Green Transportation	Renewable Energy	Carbon intensity trend*	Carbon intensity trend*	Carbon intensity trend*	Carbon intensity trend*	Carbon intensity trend*

* represents initiatives allowing for Scope 1 & 2 CO_2 intensity reduction of more than 25% during the last 3 years.

ECOSYSTEM FOOTPRINT & BIODIVERSITY PRESERVATION

Based on the nature of their activities, the Fund's investees with a high **direct impact on Biodiversity** (exposure) were identified. These issuers are monitored on the level and quality of their activities related to biodiversity, water and land preservation. Dialogue could be enhanced on this topic.

Investees - Direct Exposure	% of exposure managed	Biodiversity Programmes	Site Rehabilitation	Water Risk management
Iberdrola	87%	✓	≈	≈
Anglo American	84%	✓	✓	✓
EDP	89%	✓	≈	✓
Repsol	100%	✓	*No data*	✓
Veolia	80%	✓	≈	✓

✓ Strong initiatives; ≈ Limited initiatives

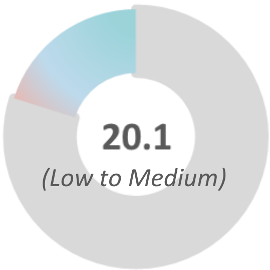
In a more targeted manner, we also monitor advancements of particular investees on such topics as **effluents and waste management, anti-deforestation programmes, sustainable agriculture and sustainable infrastructure construction**. These activities are key for the preservation and rehabilitation of natural ecosystems.

ESG Scorecard ELEVA Euroland Selection

Coverage: 96% (companies covered by ***Sustainalytics*** ESG research: 43/45)

Not covered: JDE Peet's BV *works on its CSR approach and identifies relevant ESG topics: supply chain management; Human rights and Fair trade (small farmers' empowerment). Still the approach is early stage and needs further enhancement.* ***SoftwareONE*** *publishes global commitments on their environmental footprint reduction and Human Capital development ("Vision 2022" program). However, there is a need for more concrete ESG targets and results; we continue to follow up the company on this subject.*

OVERALL ESG RISK RATING

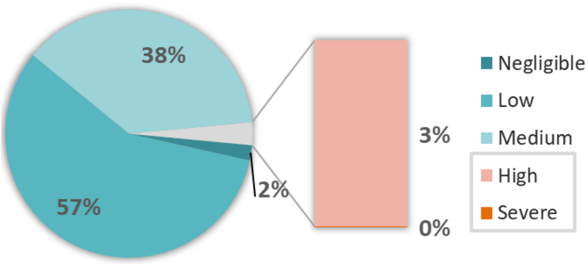


Top ESG Players

Company	Industry	ESG Risk Score	Risk Category	%
Vonovia SE	Real Estate	7.7	Negligible	1.4%
LVMH	Cons. Discret.	10.6	Low	3.0%
Smurfit Kappa	Materials	12.4	Low	2.0%
Air Liquide SA	Materials	13.5	Low	2.5%
D'Ieteren SA	Cons. Discret.	14.3	Low	2.4%

Sector ESG Risk exposure: the sectors, which contribute the most to limit the ESG risk exposure of the Euroland Selection fund are *Real Estate* and *Consumer Staples*. On the contrary, the allocation to *Industrial activities* increase to some degree the overall ESG risks exposure on the Fund level, this effect is mitigated with the presence of *adequate ESG performers* among the sector investees.

ESG RISK CATEGORY BY AGGREGATE PORTFOLIO WEIGHT (%)



Bottom ESG Players

Company	Industry	ESG Risk Score	Risk Category	%
Volvo AB	Industrials	28.5	Medium	1.8%
Melrose Industries	Cons. Discret.	28.8	Medium	1.3%
Veolia	Utilities	29.9	Medium	1.7%
Elkem ASA	Materials	33.8	High	1.0%
Solaria	Utilities	39.6	High	1.4%

Watchlist: The case of *Solaria* was approved by the ELEVA Investment Team after a series of discussions within the Team and Engagement with the company ( ); this engagement will continue in 2021.

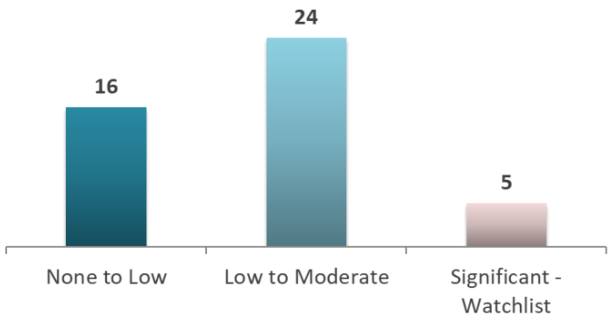
CONTROVERSIES EXPOSURE

The exposure to controversies of the Euroland Selection fund is moderate. A number of investees are not implicated in any controversies at all (9 out of 16) or are exposed to few mild or one-off incidents. More than a half of investees present manageable issues of limited reach and scope.

Watchlist: *Sanofi* and *Volvo AB* (Level 4 / Neutral outlook) were approved for investment by our internal ESG Committee (information on the Committee decision cases is available on demand).

The cases of *BNP Paribas, EDP* and *Siemens AG* (Level 3 / Negative) are monitored by our internal ESG Team.

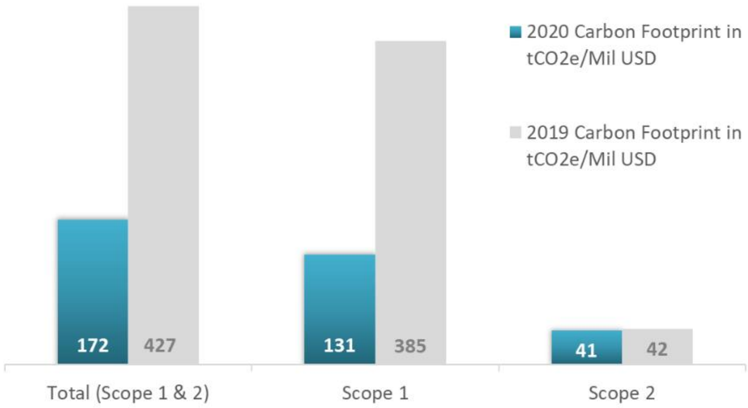
By number of controversies in each category



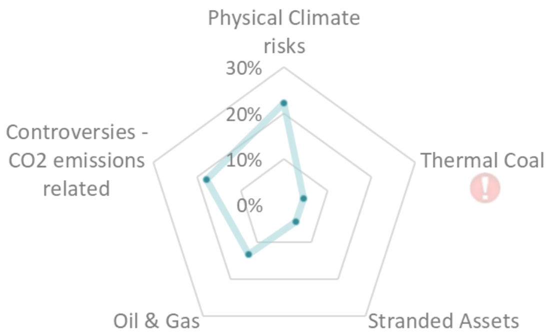
CLIMATE CHANGE – CO_2 EMISSIONS INTENSITY

ELEVA Euroland Selection Fund CO_2 footprint:
172 tCO_2e/Mil USD *(vs EURO STOXX footprint of 197 tCO2e/Mil USD)*
Coverage: 87% in number of investees (39 / 45)

Top Carbon intensive positions: *Air Liquide, EDP, Veolia* and *Wienerberger AG*. Wienerberger AG was engaged on ESG issues in 2019-2020. Some previously held highly intensive companies have been divested in relation to the implementation of *ELEVA Coal Policy* in Q4 2020. This contributed to the drop in the Fund's carbon footprint by the end of 2020 (vs 2019).



CLIMATE CHANGE – RISK EXPOSURE (Transition, Physical & Liability Risks)



Watchlist: Thermal Coal exposure is closely controlled by our Teams as the subject is identified as highly material for the ELEVA ESG investing activities. The Fund is exposed to the theme via *EDP* and *Iberdrola* coal assets.

We also note our exposure to Oil & Gas industry and, thus, to the stranded assets risk (*OMV AG, Repsol*). The biggest challenge represents emissions-related controversies – relevant for 18% of companies in the Fund; and several companies dispose of activities vulnerable to physical risks of climate change (*Covestro, Elkem, Sampo, Stora Enso, Allianz, Vonovia,* etc.).

CLIMATE CHANGE – CARBON RISK MITIGATION

Carbon solutions include low carbon activities/products and high quality internal management processes indirectly allowing for a positive trend in CO_2 emissions reduction. They represent **18.2 % of the Fund's assets**.

Company	Iberdrola	Schneider Electric	Covestro	Alstom	EDP	Melrose Industries	Neste Corp	Repsol	SEB SA
Fund %	2,2%	2,2%	2,7%	2,5%	2,7%	1,3%	1,7%	1,5%	1,4%
Mitigating Activity	Renewable Energy	Energy Efficiency	Energy Efficiency	Green Transportation	Renewable Energy	Carbon intensity trend*	Carbon intensity trend*	Carbon intensity trend*	Carbon intensity trend*

* represents initiatives allowing for Scope 1 & 2 CO_2 intensity reduction of more than 25% during the last 3 years.

ECOSYSTEM FOOTPRINT & BIODIVERSITY PRESERVATION

Based on the nature of their activities, the Fund's investees with a high **direct impact on Biodiversity** (exposure) were identified. These issuers are monitored on the level and quality of their activities related to biodiversity, water and land preservation. Dialogue could be enhanced on this topic.

Investees - Direct Exposure	% of exposure managed	Biodiversity Programmes	Site Rehabilitation	Water Risk management
Iberdrola	87%	✓	≈	≈
OMV AG	57%	≈	*No data*	✓
EDP	89%	✓	≈	✓
Repsol	100%	✓	*No data*	✓
Stora Enso	64%	≈	*No data*	≈
Veolia	80%	✓	≈	✓

✓ Strong initiatives; ≈ Limited initiatives

In a more targeted manner, we also monitor advancements of particular investees on such topics as **effluents and waste management, anti-deforestation programmes, sustainable agriculture and sustainable infrastructure construction**. These activities are key for the preservation and rehabilitation of natural ecosystems.

ESG Scorecard ELEVA Absolute Return Europe (long)

Coverage: 94% (companies covered by ***Sustainalytics*** ESG research: 63 / 67)

Not covered: JDE Peet's BV *works on its CSR approach and identifies relevant ESG topics: supply chain management; Human rights and Fair trade (small farmers' empowerment). Still the approach needs further enhancement.* ***SoftwareONE*** *publishes global commitments on their environmental footprint reduction and Human Capital development ("Vision 2022" program). However, there is a need for more concrete ESG targets and results; we continue to follow up the company on this subject.* ***S4 Capital*** *is at the very beginning of their CSR approach development; their first ESG report will be published in 2021 for FY2020.* ***OSB Group*** *continues to enhance progressively risk management, governance and business conduct practices as well as IT and data handling processes. On the other hand, sustainability in financial activities as well as B2C customer relations are still to be reinforced.*

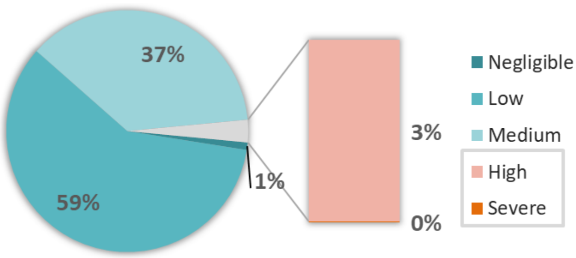
OVERALL ESG RISK RATING

Top ESG Players

Company	Industry	ESG Risk Score	Risk Category	%
Vonovia SE	Real Estate	7.7	Negligible	0.5%
Barratt Developments	Cons. Discret.	10.3	Low	1.4%
Comp. Fin. Richemont	Cons. Discret.	11.3	Low	1.5%
Hays Plc	Industrials	12.2	Low	0.7%
Smurfit Kappa	Materials	12.4	Low	0.5%

Sector ESG Risk exposure: the sectors, which contribute the most to limit the ESG risk exposure of the Absolute Return fund are *Real Estate* and *Information Technology*. On the contrary, the allocation to *Utilities* and *Consumer Discretionary* seems to increase to some degree the overall ESG risks exposure on the Fund level.

ESG RISK CATEGORY BY AGGREGATE PORTFOLIO WEIGHT (%)



Bottom ESG Players

Company	Industry	ESG Risk Score	Risk Category	%
Melrose Industries	Cons. Discret.	28.8	Medium	1.5%
Veolia	Utilities	29.9	Medium	0.9%
Assoc. British Foods	Cons. Staples	30.1	High	0.4%
Fevertree Drinks	Cons. Staples	30.6	High	0.9%
Solaria	Utilities	39.6	High	0.8%

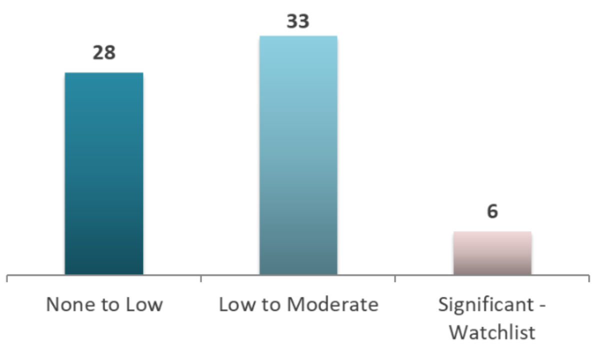
Watchlist: The case of *Solaria* was approved by the ELEVA Investment Team after a series of discussions within the Team and Engagement with the company ( ); this engagement will continue in 2021.

CONTROVERSIES EXPOSURE

The exposure to controversies of the Absolute Return fund is moderate. About half of investees are not implicated in any controversies (19 out of 28) or are exposed to few mild or one-off incidents. The other half of investees present manageable issues of limited reach and scope.

Watchlist: *Sanofi* and *Volvo* AB (Level 4 / Neutral outlook) were approved for investment by our internal ESG Committee (information on the Committee decision cases is available on demand). The cases of *AstraZeneca*, *BNP Paribas*, *EDP* and *Siemens AG* (Level 3 / Negative) are monitored by our ESG Team.

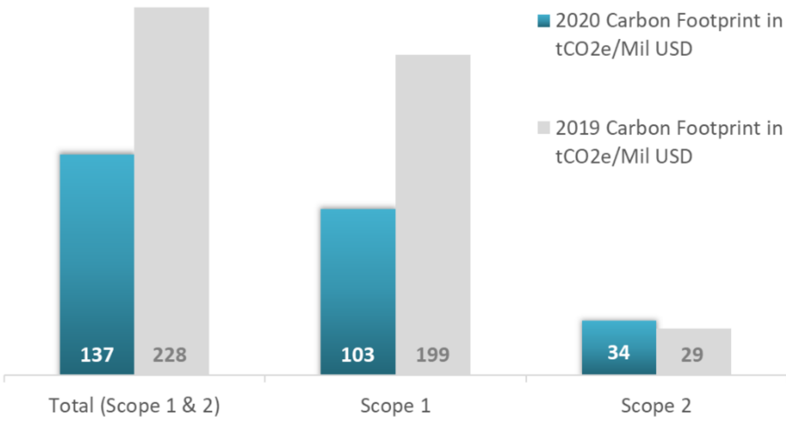
By number of controversies in each category



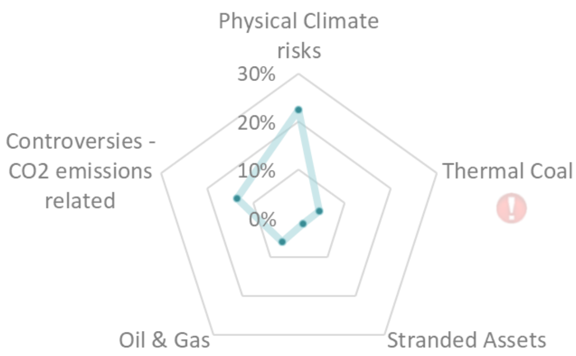
CLIMATE CHANGE – CO_2 EMISSIONS INTENSITY

ELEVA Absolute Return Fund CO_2 footprint:
137 tCO_2e/Mil USD
Coverage: 88% in number of investees (59 / 67)

Top Carbon intensive positions: *Air Liquide, Anglo American* and *EDP*. Anglo American was consulted in 2020 on its Coal Exit trajectory; the company commits to exit coal completely. Some previously held highly intensive companies have been divested in relation to the implementation of *ELEVA Coal Policy* in Q4 2020. This contributed to the drop in the Fund's carbon footprint by the end of 2020 (vs 2019).



CLIMATE CHANGE – RISK EXPOSURE (Transition, Physical & Liability Risks)



Watchlist: Thermal Coal exposure is closely controlled by our Teams as the subject is identified as highly material for the ELEVA ESG investing activities. The Fund is exposed to the theme via *EDP, Iberdrola* and *Anglo American* coal assets.

We also monitor our exposure to Oil & Gas industry and, thus, to the stranded assets risk (*Repsol*). The biggest challenge represents exposure to activities vulnerable to physical risks of climate change (*Covestro, Sampo Oyj, Sika*, etc.) – relevant for 22% of companies in the Fund. Moreover, 13% of the companies invested in develop projects or activities targeted by emissions-related controversies.

CLIMATE CHANGE – CARBON RISK MITIGATION

Carbon solutions include low carbon activities/products and high quality internal management processes indirectly allowing for a positive trend in CO_2 emissions reduction. They represent **12.4 % of the Fund's assets**.

Company	Iberdrola	Nordic Semiconductor	Belimo Holding	Alstom	EDP	Anglo American	SEB SA	Repsol	Neste Oyj	Melrose Industrie	JD Sports	Associated British Foods
Fund %	1,1%	0,5%	0,5%	1,3%	1,3%	2,1%	0,9%	1,0%	0,6%	1,5%	1,2%	0,4%
Mitigating Activity	Renewable Energy	Energy Efficiency	Green Buildings	Green Transportation	Renewable Energy	Carbon intensity trend*	Carbon intensity trend*	Carbon intensity trend*	Carbon intensity trend*	Carbon intensity trend*	Carbon intensity trend*	Carbon intensity trend*

* represents initiatives allowing for Scope 1 & 2 CO_2 intensity reduction of more than 25% during the last 3 years.

ECOSYSTEM FOOTPRINT & BIODIVERSITY PRESERVATION

Based on the nature of their activities, the Fund's investees with a high **direct impact on Biodiversity** (exposure) were identified. These issuers are monitored on the level and quality of their activities related to biodiversity, water and land preservation.

In a more targeted manner, we can also monitor advancements of some investees on such topics as **effluents and waste management, anti-deforestation programmes, sustainable agriculture and sustainable infrastructure construction.** These activities are key for the preservation and rehabilitation of natural ecosystems.

Investees - Direct Exposure	% of exposure managed	Biodiversity Programmes	Site Rehabilitation	Water Risk management
Iberdrola	87%	✓	≈	≈
Anglo American	84%	✓	✓	✓
EDP	89%	✓	≈	✓
Repsol	100%	✓	*No data*	✓
Stora Enso	64%	≈	*No data*	≈
Veolia	80%	✓	≈	✓
Scatec Solar	60%	≈	≈	*No data*
Whitbread	37%	≈	*No data*	✓

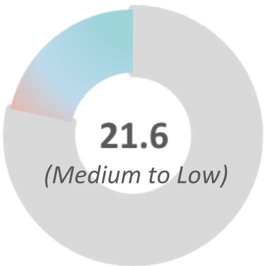
✓ Strong initiatives; ≈ Limited initiatives

ESG Scorecard ELEVA Leaders Small & Mid-Cap Europe

Coverage: 93% (companies covered by ***Sustainalytics*** ESG research: 55 / 59)

Not covered: JDE Peet's BV *works on its CSR approach and identifies relevant ESG topics: supply chain management; Human rights and Fair trade (small farmers' empowerment). Still the approach needs further enhancement.* ***SoftwareONE*** *publishes global commitments on their environmental footprint reduction and Human Capital development ("Vision 2022" program). However, there is a need for more concrete ESG targets and results; we continue to follow up the company on this subject.* ***Instone Real Estate*** *has just started to work on their CSR approach, first developments expected in 2020-2021. We monitor this position.* ***La Française des Jeux*** *has adequate global sustainability initiatives and quality of internal operations and controls. The company continues to work on its ESG initiatives and on its relations with all relevant stakeholders, including final consumers (information on risks of gambling, etc.).*

OVERALL ESG RISK RATING

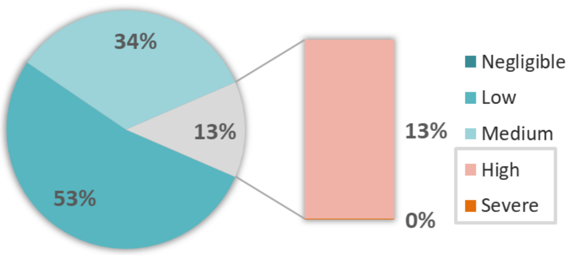


Top ESG Players

Company	Industry	ESG Risk Score	Risk Category	%
Worldline SA	Info Tech	11.2	Low	1.0%
Future Plc	Cons. Discret.	11.7	Low	1.0%
Segro Plc	Real Estate	13.2	Low	1.5%
Games Workshop	Cons. Discret.	13.3	Low	2.2%
MIPS AB	Cons. Discret.	13.3	Low	1.1%

Sector ESG Risk exposure: the sectors, which contribute the most to limit the ESG risk exposure of the Leaders Small & Mid-Cap fund are *Real Estate* and *Consumer Discretionary*. On the contrary, the allocation to *Financial and Industrial* activities seems to increase to some degree the overall ESG risks exposure on the Fund level.

ESG RISK CATEGORY BY AGGREGATE PORTFOLIO WEIGHT (%)



Bottom ESG Players

Company	Industry	ESG Risk Score	Risk Category	%
Banca Farmafactoring	Financials	32.1	High	1.9%
WizzAir Holding Plc	Industrials	32.4	High	1.2%
CVS Group Plc	Healthcare	32.5	High	1.4%
Vesuvius Plc	Industrials	32.9	High	1.3%
FlatexDeGiro	Financials	38.4	High	2.1%

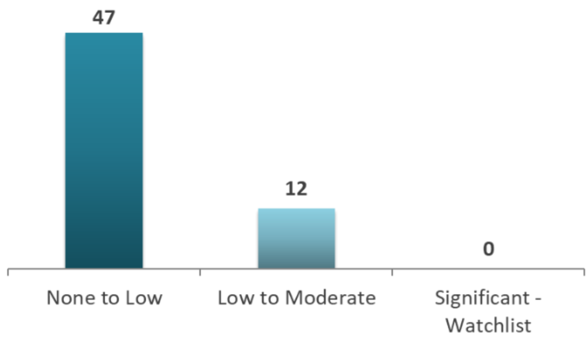
Watchlist: One case has been identified – *FlatexDeGiro* (). A series of discussions has been initiated with the company to help enhance their CSR initiatives, which are early stage. This engagement will continue in 2021.

CONTROVERSIES EXPOSURE

The exposure to controversies of the Leaders Small & Mid-Cap fund is moderate. The majority of the investees are not implicated in any controversies (42 out of 47) or are exposed to few mild or one-off incidents. Only several investees present stronger, but still manageable issues of limited reach and scope.

Watchlist: No watchlist cases have been introduced in the Fund. Some of the companies experiencing higher controversies (Level 2): *Eurazeo, Ocado Group, Worldline, WizzAir, Teleperformance* were engaged by our internal ESG Team with satisfactory results.

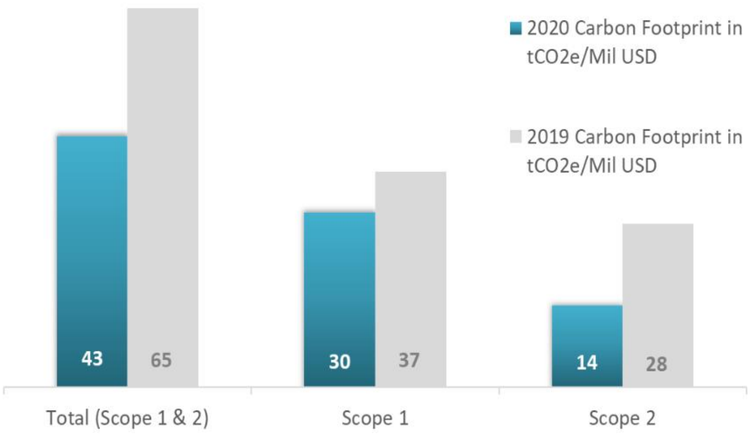
By number of controversies in each category



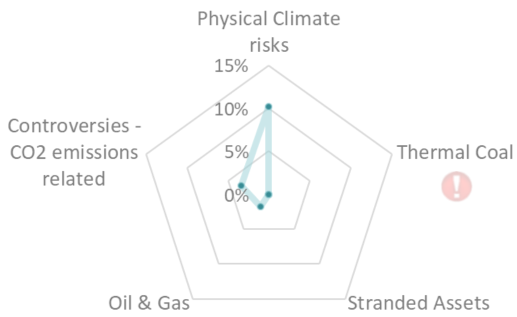
CLIMATE CHANGE – CO_2 EMISSIONS INTENSITY

ELEVA Leaders Small & Mid-Cap CO_2 footprint: **43 tCO_2e/Mil USD** *(vs STOXX Sml 200 footprint of 205 tCO2e/Mil USD)*
Coverage: 59% in number of investees (35 / 59)

Top Carbon intensive positions: *Wienerberger AG* and *Wizz Air Holdings*. Both these companies were *engaged* on ESG matters in 2019-2020. The industries most contributing to the overall Fund footprint are *Industrials, Materials, Real Estate* and *Telecom services*. Note that through 2020, the Fund brought its exposure to *Utilities* and *Energy* sectors to zero; this contributed to the drop in the Fund's overall carbon intensity.



CLIMATE CHANGE – RISK EXPOSURE (Transition, Physical & Liability Risks)



Watchlist: Generally, thermal coal exposure is closely controlled by our Teams as the subject is identified as highly material for the ELEVA ESG investing activities. The Fund is not exposed to the theme.

We however note the fund's exposure to Physical Climate risk (*Aedifica, Cellnex Telecom, Croda International, Segro, Koninklijke DSM, Sika AG,* etc.). A limited challenge represents emissions-related controversies – relevant for 3% of companies in the Fund. Generally, the Fund has a limited exposure to direct climate risks.

CLIMATE CHANGE – CARBON RISK MITIGATION

Carbon solutions include low carbon activities/products and high quality internal management processes indirectly allowing for a positive trend in CO_2 emissions reduction. They represent **13.2 % of the Fund's assets**.

Company	SIG Combibloc	Associated British Foods	Pets at Home	CEWE Stiftung	Homeserve	Interpump Group	Koninklijke DSM	The Weir Group	Vesuvius
Fund %	1,9%	1,0%	1,2%	0,9%	2,0%	1,5%	1,4%	2,0%	1,3%
Mitigating Activity	Carbon intensity trend*	Carbon intensity trend*	Carbon intensity trend*	Carbon intensity trend	Carbon intensity trend	Carbon intensity trend	Carbon intensity trend	Carbon intensity trend	Carbon intensity trend

* represents initiatives allowing for Scope 1 & 2 CO_2 intensity reduction of more than 25% during the last 3 years. *CEWE Stiftung, Homeserve, Interpump Group, Koninklijke DSM, The Weir Group* and *Vesuvius* have worked to reduce their CO_2 intensity for more than 10% over the last 3 years.

ECOSYSTEM FOOTPRINT & BIODIVERSITY PRESERVATION

Based on the nature of their activities, the Fund's investees with a high **direct impact on Biodiversity** (exposure) were identified. These issuers are monitored on the level and quality of their activities related to biodiversity, water and land preservation.

Investees - Direct Exposure	% of exposure managed	Biodiversity Programmes	Site Rehabilitation	Water Risk management
Brenntag AG	0%	≈	≈	≈
Rentokil Initial Plc	12%	≈	≈	*No data*

✓ Strong initiatives; ≈ Limited initiatives OR Issue less relevant for the company

In a more targeted manner, we also monitor advancements of particular investees on such topics as **effluents and waste management, anti-deforestation programmes, sustainable agriculture and sustainable infrastructure construction**. These activities are key for the preservation and rehabilitation of natural ecosystems.

4. Information process

This reporting is prepared by ELEVA Capital with an objective to ensure transparency of our ESG approach and strategy. It discloses our ESG approach, our shareholder engagement and voting record as well as the carbon footprint and other relevant ESG metrics. This report is updated on an annual basis.

The ESG annual report is available for download on our website: www.elevacapital.com.

5. Adherence of the management company to initiatives, codes and labels

ELEVA Capital is a signatory of the UN PRI since its creation, the 12th of May 2015.

ELEVA Capital is also an active member of the French Asset Managers Association (AFG) and of its ESG Working Groups.