ELEVA Capital

Sustainability disclosure in accordance with Articles 3, 4 & 5 SFDR

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Foreword

The Regulation (EU) 2019/2088, known as the Sustainable Finance Disclosure Regulation (hereinafter SFDR) was introduced by the European Commission as part of the European Commission's Action Plan on Sustainable Finance.

It aims to harmonize the rules within the European Union regarding the integration and publication of information on sustainability for financial products. This information should allow investors to compare the characteristics and extra-financial performance of the various financial products offered.

ELEVA Capital is fully committed to responding to these new challenges and obligations with regard to sustainable finance.

This document's purpose is to:

- Present how ELEVA Capital integrates the sustainability risks in its investment process, in accordance with Article 3 of SFDR;

- Respond to Article 4 of SFDR, ensuring transparency in terms of the consideration of principal adverse impacts at entity level;

- Provide information related to the classification of ELEVA Capital funds according to SFDR categories Article 6, 8 or 9;

- Disclose the necessary information about the integration of sustainability risks in the remuneration policy at ELEVA Capital in accordance with Article 5 of SFDR.

A. Main notions of the regulation and its consequences on sustainability disclosure

SFDR introduces three important notions:

- A sustainability risk: it consists in an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of an investment;

- A sustainability factor: it means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters;

- An adverse sustainability impact: it is defined as the negative effects that investment decisions, whether significant or likely to be, could have on sustainability factors or contribute to or be directly linked to such effects.

Thanks to these concepts, the European Commission distinguishes three categories of UCIs according to their level of integration of sustainability risks:

- Article 6: the product does not factor in ESG aspects (or very lightly);

- Article 8: the product does not have a sustainable investment objective but promotes environmental or social characteristics or a combination of these characteristics, provided that the companies in which the investments are made follow good governance practices;

- Article 9: the product has a sustainable investment objective.

Additionally, fund managers with at least 500 employees are requested to report at entity level on the 14 mandatory Principal Adverse Impact (PAI) indicators for investee companies covering environmental and social issues.

B. Integrating sustainability risks

ELEVA Capital integrates the sustainability risks in its investment process through its ESG policy, applied by its equity long-only funds, ELEVA Global Multi Opportunities, and the Absolute Return strategies.

In a nutshell, the sustainable investment process includes 4 levers of action:

Analyse	• A proprietary methodology based on **the analysis of 5 stakeholders** offering a 360° view • Analysing ESG criteria to fully understand **ESG risks and opportunities** • Understanding the **financial implications of non-financial issues** • Update of the ESG analysis on regular basis (at least every 2 years)
Pick	• Making very **well-informed investment decisions** • Understanding the impact of money flows • Exclusion policy to **avoid extreme risks and risk of betting against the trend**
Engage	• Helping companies to **improve on ESG issues** • Capturing **the value creation from ESG improvement**
Vote	• Exercising our **responsibility as « co-owners »** of companies • Sending signals on **what is acceptable or not when it comes to governance issues**

More details on this process are available in ELEVA Capital's Transparency Code, published on our website: https://www.elevacapital.com/lu/our-responsible-approach#for-further-information

C. Transparency of adverse sustainability impacts at entity level

ELEVA Capital does not consider any adverse impacts of its investment decisions on sustainability factors at legal entity level within the meaning of Article 4 of the Sustainable Finance Disclosure Regulation of the European Union (EU) 2019/2088.

However, ELEVA Capital does consider principal adverse impacts for its equity long-only funds, Global Multi Opportunities, and the Absolute Return strategies as outlined in the applicable product documentation: Sustainability-related disclosures related to Article 10 of SFDR are available on each fund's dedicated website.

ELEVA Capital does not consider principal adverse impacts on legal entity level because it offers investors a broad range of investment products that include sustainability-focused investment products as well as products that do not pursue a sustainable investing approach.

ELEVA Capital reserves the right to voluntarily comply in the future, based on a regular assessment.

D. Categorisation according to SFDR regulation and AMF Doctrine

All equity long only funds at ELEVA Capital, as well as Global Multi Opportunities and the Absolute Return strategies apply several ESG requirements to their investment decisions that justify the categorisation of the funds according to the SFDR regulation and AMF Doctrine.

These Sub-Funds integrate binding ESG criteria in its investment management process.

1) The ELEVA Capital exclusion policy applies to all funds. The following practices and sectors are excluded:

    - Companies having violated 1 or more UN Global Compact Principles;
    - Controversial weapons;
    - Nuclear weapons;
    - Tobacco;
    - Coal (see our Coal Policy).

More details on the exclusion policy and the thresholds are available in ELEVA Capital's Transparency Code and Coal Policy reachable here: https://www.elevacapital.com/lu/our-responsible-approach#for-further-information

2) A minimum ESG Score is required for each company invested in ELEVA Capital's long-only strategies, Global Multi Opportunities, and the long book of the Absolute Return strategy. The threshold is different for each strategy. More information on the ESG scoring methodology and minimum thresholds are available in the Prospectus and in ELEVA Capital's Transparency Code, reachable here: https://www.elevacapital.com/lu/our-responsible-approach#for-further-information

3) The Sub-Funds must also show a better performance than its initial investment universe on the two ESG key performance indicators (the "ESG KPIs"). More information on the ESG KPIs methodology are available in the Prospectus and in ELEVA Capital's Transparency Code, reachable here: https://www.elevacapital.com/lu/our-responsible-approach#for-further-information

Because of these three types of binding ESG criteria incorporated into the investment management process, we ensure that all equity long only funds at ELEVA Capital, as well as Global Multi Opportunities and the Absolute Return strategies do promote a combination of environmental, social and governance ("ESG") characteristics and, as such, qualify as "Article 8" according to SFDR.

ELEVA Sustainable Impact Europe has an additional impact filter. Its objective is to select only companies whose products and/or services provide solutions to the Sustainable Development Goals (SDGs). As a consequence, this fund is classified "Article 9" under the framework of SFDR. This fund has also a more restrictive exclusion policy which can be consulted in ELEVA Capital's transparency code, reachable here: https://www.elevacapital.com/lu/our-responsible-approach#for-further-information

All ELEVA Capital's equity long-only funds hold the French SRI Label and ELEVA Sustainable Impact Europe also holds the Towards Sustainability label.
The French regulator (AMF) doctrine related to products integrating non-financial considerations (Doctrine 2020-03) requires that asset managers marketing funds in France comply with specific disclosure obligations, depending on the category they belong:

- Category 3: funds which do not take into account (or lightly) non-financial criteria should strictly limit the communication around extra-financial criteria to their prospectus;

- Category 2: funds which take extra-financial criteria into account without taking a significant commitment to using them may communicate about them without making them a central element of communication (limited communication);

- Category 1: funds which significantly commit to taking into account extra-financial criteria can make them a central element of communication.

The following table summarises the classification of ELEVA Capital products according to both SFDR and AMF doctrine DOC-2020-03.

	SFDR			AMF Regulation		
	Art 6	Art 8	Art 9	Cat 3	Cat 2	Cat 1
ELEVA Sustainable Impact Europe			●			●
ELEVA European Selection		●				●
ELEVA Euroland Selection		●				●
ELEVA Leaders SMC Europe		●				●
ELEVA Absolute Return Europe		●			●	
ELEVA Absolute Return Dynamic		●			●	
ELEVA Global Multi Opportunities		●			●	
ELEVA Global Bonds Opportunities	●			●		
ELEVA Euro Bonds Strategies	●			●		

E. Integrating sustainability risks into the remuneration policy

In accordance with article 5 of the Regulation (EU) 2019/2088 (SFDR), ELEVA Capital aims to take sustainability risks into account in its employee remuneration policy.
The integration of sustainability factors into the remuneration policy is formalised in the Remuneration Policy published on our website: https://www.elevacapital.com/lu/regulatory-information#remuneration

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