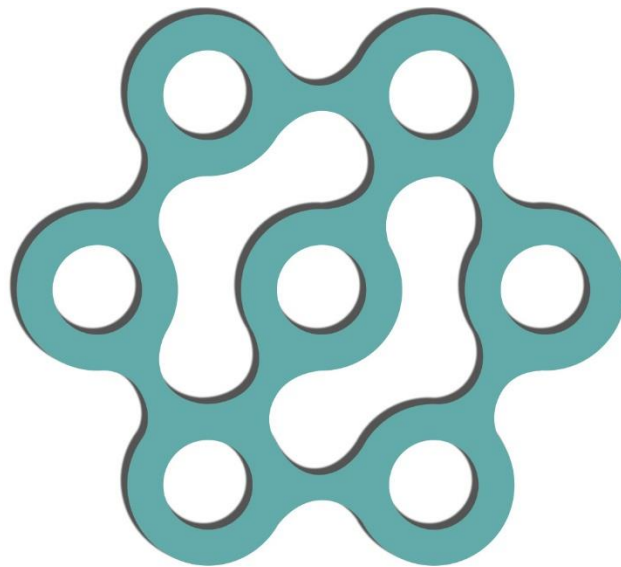


Coal Policy



May 2024

In January 2021, ELEVA Capital adopted a coal policy aimed at progressively reducing the exposure to thermal coal in its portfolios, with the objective to reach zero.

In doing so, ELEVA Capital acknowledges the scientific consensus on greenhouse gas emissions and signals its allegiance to the commitment made by the French financial industry to set and disclose a pathway towards coal exit. As a responsible investor, ELEVA Capital expresses its willingness to contribute to the transition to a low carbon economy, which inevitably will lead to the complete exit from thermal coal by 2030 in OECD countries and 2040 in non-OECD countries. Thermal coal, used for power production, is responsible for a large portion of greenhouse gas emissions and is increasingly risky for investors in the face of stringent regulations and carbon pricing.

Coal policy applicable to all funds managed by ELEVA Capital

The policy, applied to all ELEVA Capital's funds, covers the **production of thermal coal** (mining and distribution) and **thermal coal-based power generation**. It includes strict exclusions with thresholds in absolute and relative terms, which become increasingly restrictive towards 2030 in OECD countries and 2040 in non-OECD countries. It therefore combines a static approach and a forward-looking one. This policy also applies to the ELEVA Sustainable Impact Europe fund, even though this fund has a stricter exclusion policy when it comes to coal (see below).

The overall policy and the corresponding thresholds are reviewed annually and may only be updated to become more restrictive and/or to remain in line with science-based evidence and market consensus. Since the creation of the Coal Policy in December 2021, the thresholds have been reviewed once to reinforce their stringency in May 2024. We have anticipated by 8 months the thresholds which would have normally applied from 2025. We also have further strengthened the relative thermal coal-based power generation threshold. Lastly, following the launch of funds investing outside Europe, we have introduced a specific deadline for non-OECD countries to better recognise their transition pace, in line with science-based evidence and market consensus.

Thermal coal production

From May 2024 and regarding the production of thermal coal, ELEVA Capital strictly excludes companies that:

- Have plans to expand coal capacity
- Produce or distribute more than 10 million tons (MT) of thermal coal annually
- Derive more than 5% of their revenues from thermal coal

The thresholds in absolute and relative terms will then become increasingly restrictive towards 2030 in OECD countries and 2040 in non-OECD countries. Absolute thresholds are expressed in million tons. Relative thresholds are expressed in percentage of sales.

	2021	2023	Current	2030 OECD	2040 ex-OECD
Absolute	40 MT	20 MT	10 MT	0 MT	0 MT
Relative	10% Revenue	8% Revenue	5% Revenue	0% Revenue	0% Revenue




Thermal coal-based power generation

In addition, ELEVA Capital aims to exclude companies that:

- Plan to expand power generation capacity from coal
- Have a coal-based installed capacity of more than 5 GW
- Derive more than 10% of their revenues from coal-based power generation

The thresholds in absolute and relative terms will then become increasingly restrictive towards 2030 in OECD countries and 2040 in non-OECD countries. Absolute thresholds are expressed in gigawatts. Relative thresholds are expressed in percentage of sales. The sources used to collect companies' exposure are Urgewald¹ and MSCI.

	2021	2023	Current	2030 OECD	2040 ex-OECD
Absolute	10 GW	8 GW	5 GW	0 GW	0 GW
Relative	35% Revenue	30% Revenue	10% Revenue	0% Revenue	0% Revenue



Companies with a residual exposure to thermal coal (but below the above thresholds), if any, are closely monitored by the ELEVA Capital Investment team. Engagement will be particularly intense with these companies, to encourage them to accelerate their exit from coal.

Coal policy applicable to ELEVA Sustainable Impact Europe

In addition to the coal policy applicable to all funds, the ELEVA Sustainable Impact Europe fund also applies additional and more stringent exclusion criteria when it comes to coal. This fund strictly excludes :

- Companies generating **more than 5% of their revenues from thermal coal exploration, mining, extraction, transportation, refining and distribution, as well as dedicated equipment or services to the thermal coal sector**. Companies with a residual exposure (i.e. >0% and <5%) to the above activities are also excluded if their absolute production of or capacity for thermal coal-related products/services are increasing.
- Companies generating **more than 5% of their revenues from generation of power/heat from non-renewable sources (including coal) or providing dedicated equipment or services to this sector**. Companies with a residual exposure (i.e. >0% and <5%) to coal based energy are also excluded if a) their absolute production of or capacity for coal based energy related products/services are structurally increasing, and/or b) their absolute production of or capacity for contributing products / services (e.g. renewable energies) are not increasing, and/or c) they do not have a target set at well-below 2°C or 1.5°C, or do not have a 'Business Ambition for 1.5°C' commitment with the Science Based Target initiative.
- Companies with more than **5GW of thermal coal-based power generation capacities**.

¹ Urgewald is a German non-profit organization responsible for the Global Coal Exit List, an information tool aimed at providing investors and institutions with coal finance information.



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