Disclosure of Sustainability Information

DNCA INVEST – SUSTAIN SEMPEROSA

Summary

DNCA INVEST – SUSTAIN SEMPEROSA is a sub-fund of the Luxembourg SICAV DNCA Invest managed by DNCA Finance.

The Sub-Fund has a sustainable investment objective within the meaning of Article 9 of European Regulation (EU) 2019/2088, known as the Sustainable Finance Disclosure Regulation (SFDR). The financial product's investments do not cause significant harm to any of the sustainable investment objectives, provided that indicators related to negative impacts are taken into account in the corporate responsibility rating of our internal tool and that sustainable investments comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles.

The Sub-Fund is managed in accordance with the principles of sustainable and responsible management and aims to achieve exposure to the 17 United Nations Sustainable Development Goals through the entities held in the portfolio (excluding cash, derivative financial instruments, and money market funds).

The investment strategy applied to the Sub-Fund is based on three steps: the exclusion of companies presenting high risks in terms of corporate responsibility; the selection of issuers and companies identified as meeting the Sub-Fund's sustainable strategy objective; and the construction of a portfolio based on fundamental analysis, liquidity, and the valuation of the companies under consideration.

As such, the Sub-Fund aims to invest 100% of its net assets in sustainable investments (excluding cash and derivatives), of which at least 5% must have an environmental objective aligned with the EU taxonomy and at least 1% must have a social objective.

To assess the achievement of the sustainable investment objective, checks are performed using indicators (e.g., the ABA internal rating method). The data used in this context comes primarily from public sources and databases of external providers. Consequently, limitations regarding the availability and quality of this data may exist.

Furthermore, DNCA Finance has implemented due diligence regarding the underlying assets through monitoring of controversies and the application of exclusions based on the results of the ESG analysis, as well as a shareholder engagement policy as part of its responsible investment approach.

The financial product does not have a benchmark aligned with the established sustainable investment objective.

No material adverse impact on the sustainable investment objective

The financial product's investments do not cause significant harm to any of the sustainable investment objectives, as the negative impacts of companies' activities on social and environmental objectives are directly incorporated into the ABA Corporate Responsibility Rating (which incorporates indicators of negative impacts on sustainability factors in Table 1 of Annex 1 of the SFDR RTS), and may result in a downgrade of the ABA rating below the minimum threshold.

In this context, DNCA Finance implements the following exclusions in accordance with its exclusion policy:

- **Thermal coal and unconventional oil and gas**: DNCA Finance will gradually exclude companies involved in activities related to thermal coal and unconventional oil and gas;
- **Controversial weapons**: Issuers are excluded from all DNCA Finance portfolios;
- **Non-compliance with the United Nations Global Compact**: Issuers that have committed serious violations of the principles of the United Nations Global Compact are included in DNCA Finance's list of "worst-offending companies" and are excluded from all portfolios.

Furthermore, the main negative impacts are included among the key performance indicators (KPIs) collected for the analysis. Issuers with severe major negative impacts will receive a poor corporate responsibility (ABA) rating. A minimum score of 4 out of 10 is therefore consistent with the approach of not causing significant harm to environmental or social objectives.

Finally, issuers that do not comply with the principles of the United Nations Global Compact receive a low corporate responsibility rating according to the ABA tool.

Issuers subject to controversies or serious violations of the principles of the United Nations Global Compact (human rights or anti-corruption) based on the internal approach are excluded from the portfolio via the list of worst-offending companies once the internal analysis has been completed.
DNCA Finance's internal approach enables it to compile a list of issuers identified as violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and which have been classified as "serious violations" by the DNCA Finance Ethics Committee. These issuers are therefore included in an exclusion list of the "worst-offending companies" and are barred from investment.

To perform this analysis, DNCA Finance uses a database from an external data provider:

1) Extract issuers with "standards-based" alerts;
2) Eliminate irrelevant issuers;
3) Quantitative analysis of violations by the DNCA Finance Ethics Committee;
4) Include issuers identified as having committed a "serious violation" in the list of the worst-performing companies in terms of violations.

Sustainable investment objective of the financial product

The Sub-Fund's objective is sustainable investment as defined in Article 9 of the SFDR. The Sub-Fund is managed in accordance with the principles of sustainable and responsible management and aims to achieve exposure to the 17 United Nations Sustainable Development Goals through the entities held in the portfolio (excluding cash, derivative financial instruments, and money market funds).

To achieve the Sub-Fund's sustainable investment objective, DNCA Finance has identified global environmental and sustainability challenges, which include (but are not limited to) climate change mitigation and climate change adaptation. These sustainable investment objectives may be clarified and updated by DNCA Finance from time to time. In such cases, the Prospectus will be updated accordingly at the time of the next update.

The investment strategy is geared toward a low-carbon economy, resulting in a portfolio carbon footprint lower than that of the benchmark index.

To be eligible for the investment universe, issuers must meet the following criteria, which are based on a "pass/fail" approach:

- a minimum of 5% of revenue exposed to the SDGs, according to the internal classification framework based on sustainable transition activities (demographic transition and/or healthcare transition and/or economic transition and/or lifestyle transition and/or ecological transition), as stipulated below in the section on investment strategy.
- a minimum score of 4 out of 10 for corporate responsibility (taking into account controversies and major negative impacts) combined with the exclusion policy, incorporating the "Do No Significant Harm" principle for any environmental or social objective (see above).
- a minimum score of 2 out of 10 for governance (corporate governance practices).

In this context, the investment process and the resulting *stock-picking* take into account an internal rating based on corporate responsibility and the sustainable transition of companies, derived from non-financial analysis at using a proprietary tool developed by DNCA Finance, with a *"best-in-universe"* approach. A sectoral bias may exist.

The Sub-Fund does not use a benchmark to achieve its sustainable objective.

Investment Strategy

The investment process applied to the Sub-Fund is based on the following three steps:

- **Exclusion of companies** presenting high risks in terms of corporate responsibility (minimum score of 4/10 according to DNCA Finance's internal model). This selection meets the criteria of the French SRI Label;
- **Selection of issuers and companies identified** as meeting the Sub-Fund's sustainable strategy objective;
- **Construction of a portfolio** based on fundamental analysis and the liquidity and valuation of the companies under consideration.

In promoting these characteristics, the Sub-Fund will take into account the following ESG factors in particular:

- **Environment:** GHG emissions, air pollution, water pollution, water consumption, land use, etc.
- **Social:** Excessive CEO compensation, gender inequality, health and safety issues, child labor, etc.;
- **Governance:** Monitoring of corruption and influence peddling, tax evasion, etc.;
- **Overall ESG quality rating.**

The ABA Rating: ABA is an internally developed analytical tool for assessing corporate responsibility.

The field of corporate responsibility is a rich source of information that is extremely useful for anticipating corporate risks, particularly in their interactions with stakeholders: employees, suppliers, customers, local communities, shareholders… regardless of their industry.

Corporate responsibility is analyzed by the ABA tool according to four fundamental principles:

- **Shareholder responsibility:** board of directors and executive management, accounting practices and financial risks, etc.;
- **Environmental responsibility**: the environmental footprint of the production chain and the product's life cycle or responsible sourcing, energy and water consumption, the company's CO2 emissions and waste management, etc.;
- **Responsibility toward workers**: regarding ethics and working conditions in the production chain, treatment of employees, safety, well-being, diversity, employee representation, wages, and the quality of products or services sold, etc.; and
- **Social responsibility**: product quality, safety, and traceability; respect for local communities and human rights; etc.

Each fundamental principle is independently rated by DNCA Finance and weighted according to its importance to the target company. Each fundamental principle is broken down into a set of criteria, selected based on their relative importance (correlation with economic performance), totaling approximately 25 in all. These criteria include the quality of the board of directors' assessment, CEO compensation, impact on biodiversity, climate policy, and energy efficiency, etc.

The sustainable transition focuses on the positive impacts generated by companies through their activities, products, and services. The objective is to determine whether or not a company contributes to the sustainable transition. In the model, this pillar has been broken down into five major themes: demographic transition (inclusion of seniors, access to education, etc.), medical transition (access to healthcare, medical diagnostics, combating endemic diseases, etc.), economic transition (infrastructure development, digitalization, access to connectivity, etc.), lifestyle transition (extending product lifecycles, circular economy, sustainable mobility, etc.), and ecological transition (renewable energy, biodiversity, green mobility, etc.). Approximately 34 activities contributing to the sustainable transition have been identified and incorporated into the model. The sustainable transition encompasses the United Nations Sustainable Development Goals.

In addition, monitoring the level of controversy is directly factored into corporate responsibility and may affect the rating.

This in-depth analysis, which combines qualitative and quantitative research, results in a score out of 10.

Investment Allocation

The Sub-Fund aims to invest at least 100% of its net assets in "sustainable investments" (of which at least 5% in sustainable investments with an environmental objective aligned with the EU taxonomy and at least 1% in sustainable investments with a social objective).
This percentage of net assets does not include cash, cash equivalents, money market instruments, derivatives, and money market funds.
These exclusions may fluctuate over time and are held on an ancillary basis, either for hedging purposes, to manage portfolio liquidity, and/or to mitigate any specific financial risk.

Monitoring of the Sustainable Investment Objective

To assess the achievement of the sustainable investment objective, controls are performed using the following indicators:

- The internal ABA rating;
- The sustainable transition rating;
- The portfolio's carbon footprint (expressed in tCO2 per million USD invested);
- Exposure to the United Nations Sustainable Development Goals (SDGs).

These indicators are defined, implemented, and monitored systematically by the management team.

In addition, DNCA Finance has implemented a responsible investment control framework comprising both pre-trade and post-trade controls.

Pre-trade controls focus on the minimum "liability risk" rating and the absence of a rating. The sole purpose of the alert regarding the absence of a rating is to inform the SRI team. The controls are archived by the CRD tool, which has its own audit trail. With regard to sector exclusions, the Risk Department monitors, via CRD, the proper application of sector constraints relating to issuer lists (*see exclusion policy*). Issuers on the "worst offenders" list are also monitored pre-trade by the Risk Department.

The post-trade controls listed below are integrated into the constraint monitoring control system:

- Compliance of SRI-labeled funds, monitored in ABA against the relevant label's criteria;
- No investments are made in issuers targeted by exclusion policies;
- Minimum AIM, sustainable transition, and climate (transition/contribution) ratings are met;
- Other SRI constraints specific to certain investment funds.

Methods

The indicators used by the Sub-Fund to measure the achievement of the sustainable investment objective are as follows:

- The "Above and Beyond Analysis" (ABA, the internal tool) corporate responsibility rating: the main sustainability indicator used by the Sub-Fund is the ABA rating (see the "Investment Strategy" section), which is based on corporate responsibility and divided into four fundamental principles: shareholder responsibility, environmental responsibility, employer responsibility, and social responsibility;
- The Sustainable Economy Transition Rating: DNCA Finance concludes this analysis with an assessment of companies' exposure to the "transition to a sustainable economy." This rating is based on five fundamental principles : demographic transition, health transition, economic transition, lifestyle transition, and ecological transition;
- Exposure to the United Nations Sustainable Development Goals: DNCA Finance assesses, for each company, the portion of revenue linked to one of the 17 United Nations Sustainable Development Goals;
- Carbon data: carbon footprint (t CO2/$1 million invested) of the Sub-Fund's portfolio;
- Carbon emissions intensity (t CO2/$1 million invested) of the Sub-Fund's portfolio.

Data Sources and Processing

The data used to achieve the Sub-Fund's sustainable investment objective is sourced from public sources, databases provided by specialized external providers, direct dialogue with issuers, and internal analysis conducted by DNCA Finance.

DNCA Finance has chosen to rely on an internal model, ABA ("Above and Beyond Analysis"), with the aim of providing a rating for which we control the entire construction process, as information from companies constitutes the majority of the data used. In this context, this data is verified and integrated into a proprietary analysis framework.

As part of its responsible investment approach, DNCA Finance specifies that the data used in its proprietary ABA rating model is derived exclusively **from public information provided by issuers**. This data is audited, published, and reflects the operational reality of the companies. Thus, the entire ESG rating methodology applied by DNCA Finance to private issuers is based on actual data, excluding any estimated or modeled data.

Estimated data is used only when it comes **from specialized external providers** (such as MSCI, CDP, or equivalents) and pertains to specific cases, such as the development of exclusion lists (normative or sector-specific) or the calculation of DNCA Finance's climate trajectory, as presented in particular in the environmental pressures report. This approach demonstrates a commitment to both transparency and rigor in the integration of ESG criteria into investment processes.

To align with the principles of its responsible investment policy and address new environmental and regulatory challenges, DNCA Finance has **engaged external ESG data providers** and is implementing a project to enhance its processes, with the aim of:

- Improve and enhance the reliability of issuer data, as well as impact indicators and metrics related to climate and biodiversity;
- Provide information on activities aligned with the European Taxonomy;
- Enhance the existing ESG analysis process (notably by integrating physical and climate risks) and enable its systematic use (through the use of an "ABA Quant" rating applied across the entire investment universe);
- Expand the scope of other ESG processes.

The integration of this data into the information system has been implemented, and the data is being progressively incorporated.

Service providers used:

Prestataire	Utilisation
MSCI	Données brutes / entreprises
	Taxonomie
	Principales Incidences Négative (PAI)
	Risque physique et de transition (VAR Climat)
ISS Ethix	Armes controversées
ISS Proxy Echange	Conseil pour le vote aux AG
CDP	Données Carbone
	Données eau et usage des sols
CDP Temperature Ratings	Température induite

Finally, DNCA Finance is implementing a quality control process for ESG data received from its suppliers, notably through the establishment of a cross-functional sustainable investment committee whose missions include monitoring and supporting the operational processes of the business teams, including the following initiatives deployed at the data committee level (ESG data sourcing, data feed processing, structuring of ESG data (data dictionary/repository), and distribution of ESG data from the repository to relevant business tools).

The ESG analysis of securities is conducted under the supervision of the management and expertise division and the responsible investment team. Using the ABA tool, it reviews liability risk analysis, analysis of the contribution to the sustainable transition, monitoring of controversies and news flow, and meetings with company executives. The analysis is conducted exclusively in-house and does not incorporate any ratings from external agencies.

Limitations of Methods and Data

The approach adopted by DNCA Finance's management teams to construct their ESG analysis may have several limitations, including:

- **The availability and quality of ESG data** provided by the companies analyzed;

- **Differences in coverage** across sectors or geographic regions;
- **Differences in methodologies** among various data providers.

These limitations may affect the comparability and accuracy of ESG assessments but do not hinder the achievement of the sustainable investment objective, as DNCA Finance adopts a continuous approach to ESG processes to address these shortcomings. Furthermore, DNCA Finance has adopted a phased approach to the implementation of ESG policies, to enable a pragmatic application and integration of ESG considerations throughout its value chain.

Due Diligence

DNCA Finance has implemented due diligence regarding underlying assets through monitoring of controversies and the application of exclusions based on the results of the ESG analysis.

Investments are thus reviewed in accordance with the responsible investment policy and the exclusion policy.

DNCA Finance has a due diligence mechanism in place, which consists of:

- Identifying the nature of negative impacts (ESG impacts) associated with its investment activities;
- Assessing and prioritizing negative impacts;
- Managing (preventing, mitigating, or stopping) certain negative impacts;
- Monitoring the implementation of results (measuring the effectiveness of actions);
- Adjusting the strategy for managing negative impacts if necessary.

The principles adopted by DNCA Finance are:

- Managing impacts for which DNCA Finance sets quantitative targets (notably carbon footprint and portfolio-induced temperature);
- Measuring to manage biodiversity footprint indicators: water management and land use.

Engagement Policies

DNCA Finance implements a shareholder engagement policy as part of its responsible investment approach.

This policy is based in particular on:

- **Regular dialogue with companies**, enabling an assessment of how effectively ESG issues are being addressed;
- **Proactive engagement**, aimed at encouraging companies to improve their transparency and management of ESG issues;
- **Reactive engagement**, initiated in response to a significant controversy or incident.

This policy is described in the document ***"Shareholder Engagement Policy and Voting*** Policy" available on the DNCA Finance website (https://www.dnca-investments.com/documents/40).
Furthermore, DNCA Finance analyzes and classifies controversies involving companies, whether related to corporate responsibility or compliance with the United Nations Global Compact. This process allows for the classification of controversies as major or severe and, where applicable, the designation of the company in question as a "Worst Offender." Companies designated as "Worst Offenders" are excluded from the eligible investment universe. This policy is described in the ***"Exclusion*** Policy" document available on the DNCA Finance website (https://www.dnca-investments.com/documents/7).

Achievement of the sustainable investment objective

The financial product does not have a benchmark aligned with the established sustainable investment objective.