DNCA INVESTMENTS

PORTFOLIOS

TEMPERATURE

TRAJECTORY

Finalised as of 30/06/2021

DNCA
INVESTMENTS

From 2021 onwards, DNCA Finance pledges to report the temperature pathway for the full range of investments it manages, on a yearly basis, with a view to supporting the Paris Agreement commitments and as part of the aim to make Europe climate-neutral out to 2050.

Humanity is set to face one of the most sizable challenges ever known over the course of the 21st century with climate change triggered by the swift surge in greenhouse gas emissions resulting from human activity. The world of the future will be very different to life today and all areas of our lives will be impacted by the effects of this environmental crisis. Governments and public authorities have fully grasped the climate emergency and are focusing their efforts on tackling it, as shown by the European Commission's action plan on sustainable finance, which includes the green deal and the EU taxonomy. Companies and citizens also have a crucial role to play in transforming our economies and setting them on a path to meet the 2050 net-zero greenhouse gas emissions goal.

DNCA Finance is aware of the magnitude of this challenge and has taken climate aspects on board in its responsible investment approach: we firmly believe that this transformation is not just a risk factor but also a source of opportunity. In 2019, we therefore developed an issuer climate analysis model, based on the recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD), the International Energy Agency's (IEA) and IPPC's energy scenarios and the Science Based Targets initiative (SBTi). This model provides a sole framework for company assessment and analysis and offers crucial indicators on managing climate-related risks and their materiality. Following on from this, DNCA Finance launched the DNCA Invest Beyond Climate fund with a view to supporting the Paris Agreement goals and Europe's 2050 climate-neutral objective.

DNCA Finance is now taking its strategy a step further and will monitor and manage companies' temperature pathways across all its investments based on concrete indicators to provide comprehensive reporting on climate impact measurements and the pathway for investments, with a view to gradually aligning with the goal of keeping the global temperature rise to less than 2 degrees Celsius as compared to the pre-industrial era. This target naturally dovetails with our responsible investment approach and complies with European climate neutrality targets.

Eric Franc, CEO at DNCA Finance stated:

"These pledges are fully consistent with our convictions as we have gradually incorporated environmental and social aspects into our strategy. Our support for a low-carbon economy clearly reflects our intention to actively strive for positive change in our society."

Bigger than a pandemic, global warming is threatening humanity. In the coming years, extreme weather events are going to multiply, confirming a profound disruption.

In this guide, our aim is to raise investor awareness on the climate challenge, a challenge that we must raise together.

Whether it be in energy, housing, transportation or food, it is time to make some radical changes. It is also time to accelerate our investments in green technologies. More than ever, and for the well-being of future generations, our investment decisions must be related to our future.

Jean-Charles Mériaux, Chief Investment Officer, DNCA Finance

In the 21st century, humanity will be confronted with one of the greatest challenges it has ever faced: climate change caused by the rapid increase in greenhouse gas (GHG) emissions due to human activities. Tomorrow's world will not be the same. There are no areas in our lives that will escape the consequences of this environmental crisis.

Studies by recognized bodies such as the Intergovernmental Panel on Climate Change and the United Nations continue to alert us to the urgency of climate issues and the dramatic consequences of rising temperatures that are occurring this century. In October 2018, the IPCC stressed the need for technological progress on a scale unprecedented in the history of mankind, and an immediate and drastic reduction in emissions to limit global warming to +1.5°C compared to pre-industrial levels.

Due to the urgency of the situation, governments and public authorities are taking action. The European recovery plan or «Green Deal», which focuses on the key sectors of decarbonation - renewable energies, clean mobility, renovation of buildings – is an example of an initiative to achieve carbon neutrality by 2050. As Mark Carney, Governor of the Bank of England pointed out in his famous speech to Lloyds of London on September 29, 2015 "finance has a decisive role to play here, without which it could face serious systemic consequences".

After publishing the «8 Keys to Understanding Socially Responsible Investment» in 2019, DNCA Finance is now focuses on the challenges of climate change.

Léa Dunand-Chatellet, Portfolio Manager and Director of DNCA Finance's Responsible Investment Division

DNCA FINANCE PORTFOLIOS TEMPERATURE TRAJECTORY – WRAP UP

Since COP21 and Paris Agreement, mitigation and adaptation to climate change are to be part of private and public day to day agenda. For Finance industry the agenda is set in COP21 main agreed objectives: "Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development."

It is therefore about investing in:

- Companies and projects that have a GHG emissions reductions plan
- Companies and projects that propose solutions to mitigate and adapt to climate change

In practice, for the first point, the Carbon Disclosure Project (CDP) and the World Wide Fund for Nature (WWF) propose a tool to translate a greenhouse gas (GHG) emissions reduction target to a change in temperature in 2100 against preindustrial level.

At the end of December 2020, we analyzed the temperature trajectory of a large portion of aggregated portfolio of DNCA Finance, DNCA hereafter, using CDP temperature rating methodology. The objective was to draw up a portrait of DNCA Finance's initial situation regarding climate risks. At this date we extracted from DNCA Finance's book more than 900 different issuers of corporate bonds, equities, or convertibles, included in 73 funds, for a total amount of more than 20 billion of euros.

Application of CDP temperature rating methodology commands to select between different options[2]. One of them concerns how to fill in missing temperature scores. We select three different filling options, one is to use only available scores, an other option is to fill in the 3.2°c CDP default score and, the last is to calculate +50% penalized sector averages. Based on these filling options, **temperature scores at DNCA Finance level range from 2.5°c to 2.6°c, above COP 21 targets.**

	Available	Default	Sector
DNCA Finance	2,5°c	2,6°c	2,6°c
MSCI WORLD	2,4°c	2,7°c	3,0°c
MSCI EUROPE	2,3°c	2,6°c	2,9°c

At funds level, none is at the 1.5°c COP 21 objective, some are below the 2°c objective whatever filling option is used[3]. Depending on filling options, scores' medians are equal to 2.3 or 2.5°c. Finally, the Beyond range of funds and large DNCA Finance funds have following scores for the three different filling options:

Portfolios	Number of issuers	AUM (m€)	Available (°c)	Default (°c)	Sector (°c)	Cove-rage count %	Cover-age AUM %
Eurose	146	2354	2,7	2,8	2,8	49%	65%
DNCA Invest Eurose	146	2276	2,7	2,7	2,8	49%	65%
Ecureuil Investissements	31	1648	2,1	2,1	2,1	77%	86%
DNCA Invest Europe Growth	32	1556	2,3	2,5	2,7	56%	60%
Centifolia	38	915	2,3	2,4	2,5	63%	82%
DNCA Invest Value Europe	47	649	2,5	2,6	2,6	83%	85%
Fructi Actions France	39	637	2,3	2,5	2,6	67%	79%
Ecureuil Profil 90 (Act Euro)	37	590	1,9	1,9	2,0	76%	78%
DNCA Invest Convertibles	50	534	2,0	2,0	2,0	68%	75%
DNCA Invest Beyond Global Leaders	43	463	3,1	3,1	3,5	37%	35%
DNCA Invest Beyond Semperosa	37	196	2,2	2,5	2,5	68%	72%
DNCA Invest Beyond Infrastructures et Transition	46	76	1,9	2,1	2,1	63%	70%
DNCA Beyond Engage	44	75	2,2	2,2	2,3	91%	89%
DNCA Invest Beyond Climate	41	60	2,0	2,2	2,2	63%	67%
DNCA Invest Beyond Alterosa	80	41	2,0	2,1	2,2	58%	67%
DNCA Invest Beyond European Bond Opportunities	72	37	2,0	2,1	2,1	51%	59%

From this initial situation and taking into account a constantly evolving framework, our ambition is to always increase our knowledge and practices to align our investments according to the European Commission targets. Therefore, we would like to have a multiple approach to address this single objective through the following different target timelines:

Short term targets: 2021-2022

1- Improve our data coverage thanks to the CDP.

2- Improve our analysis to include a perspective by comparing temperature results with Absolute Carbone Emissions, Carbon footprint, Carbon Intensity and the evolution between 2020 and 2021.

3- Engage directly with the TOP 10 companies that represents the worst performers in terms of Temperature rating.

4- Engage directly with the TOP 10 companies without Climate data and engagement, and that represents our biggest exposure in terms of AUM.

5- Support say on climate resolutions.

6- Set up management tools to meet mid-term targets at portfolio level.

Mid-term ambitions: 2025-2030

1- Decrease the average Temperature Rating of DNCA Finance's portfolios.

2- Decrease the average Carbon Intensity of DNCA Finance's portfolios.

3- Decrease the share of funds that are not aligned with a 2°c temperature.

Long-term ambition:

1- 100% of our portfolio's holdings should have a proven validated alignment 2°c.

2- 100% of our funds should be aligned with the 2°c temperature.

3- Comply with the European commission targets.

(2) Options are, scores on Scope 12 or Scope 123, filling options, weighting methods to aggregate score at portfolio level. We choose scope 12 scores, three different filling options (no filling, default filling at 3.2°c, +50% penalized sector averages), and Emissions Owned Temperature Score weightings.
(3) The ranking of DNCA Finance funds aligned with the temperature objective is given for information only, based on the issuers present in the portfolio as of 12/31/2020, according to the calculation methods described in the document. These data are intended to change over time.

*Worst temperature scores within DNCA Finance portfolios	% AUM	Temperature score (°c)	Contribution to DNCA Finance temperature score (°c)
Luxshare Precision Industry Co Ltd	< 0,1%	4,11	< 0,01
Sumitomo Metal Mining Co Ltd	< 0,1%	3,80	< 0,01
CRH PLC	0,3%	3,79	0,13
Ryanair Holdings PLC	< 0,1%	3,78	< 0,01
SUMCO Corp	0,1%	3,62	< 0,01
Coca-Cola Icecek AS	< 0,1%	3,53	< 0,01
Smurfit Kappa Group PLC	0,1%	3,36	0,01
ArcelorMittal SA	0,3%	3,20	0,88
SBM Offshore NV	0,2%	3,20	0,05
Sika AG	0,7%	3,20	0,04

Largest positions in listed companies without °c scores	% AUM
Teleperformance	1.2%
Amplifon SpA	0.9%
EssilorLuxottica SA	0.8%
Infrastrutture Wireless Italiane SpA	0.6%
Sartorius Stedim Biotech	0.6%
Flutter Entertainment PLC	0.5%
Dassault Aviation SA	0.5%
Prosus NV	0.5%
Dassault Systemes SE	0.5%
VAT Group AG	0.4%

*This document has not been produced to promote any of the companies that may be quoted but to illustrate part of the qualitative selection process carried out by the managers. These presentations cannot be assimilated to financial analyses since they have not been produced in accordance with the regulatory provisions aimed at promoting the independence of financial analyses

THE CLIMATE CHANGE CHALLENGE

Since COP21 and Paris Agreement, mitigation and adaptation to climate change are to be part of private and public day to day agenda. Recent announcement by the European Commission (GHG emissions reduced by 55% compared to 1990 figures) just reinforced this context.

"I warmly welcome the agreement on the Climate Law. Our political commitment to becoming the 1st climate neutral continent by 2050 is now also a legal one. The Climate Law sets the EU on a green path for a generation. It is our binding pledge to our children and grandchildren." Ursula von der Leyen, President of the European Commission.

In this section we briefly recall what climate change is, why it is an issue and COP21 engagements focusing on financial sector.

What is greenhouse effect and its relationship with climate change?

Greenhouse effect is a natural and essential mechanism of earth climate. Earth permanently receives energy from the sun. While 30% of this energy is reflected by earth atmosphere, the rest of it is absorbed by earth grounds and seas.

Some of this absorbed energy is given back by grounds and seas as infrared emissions. Greenhouse effect is when part of these infrared emissions is captured on earth by gases or clouds. Human activities increased concentrations of greenhouse gases (GHG) in the atmosphere, leading to an intensification of the greenhouse effect and finally to a warming of earth climate.

Main GHG are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and sulfur hexafluoride (SF_6). All are outputs of human activities such are energy production, transportation, livestock production, agriculture, and fertilization, …

Why is climate change an issue?

Current global warming of earth climate is problematic because it is forecasted to induce:
- More extreme weather (drought, floods, storms).
- Dramatic ecosystems changes leading to mass extinction.
- Dramatic decrease of food supply in many parts of the world.
- Health dangers from increased risk of zoonosis.
- Oceans' acidification.
- Climate migration because of ocean rises and unlivable climatic conditions.

These forecasted outcomes of global warming motivated nations around the world to set an agenda to mitigate and adapt to climate change.

What is mitigation and adaptation agenda?

COP 21 organized in 2015 leads to a series of international engagement from participants:

- Holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change

- Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production

- Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development

Current and recent pledges for a short-list of regions and countries in the world:

Region	Ambition 2030[4]	Base year
Europe	At least -55%	1990
UK	At least -68%	1990
China	Peak CO2 emissions	-
USA	-50 to -52%	2005

What is mitigation and adaptation agenda for Finance?

For Finance industry the agenda is set in COP21 main agreed objectives:

"Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development."

Broadly speaking it consists in investing in:

- Companies and projects that have a GHG emissions reductions plan

- Companies and projects that propose solutions to mitigate and adapt to climate change

In practice, for the first point, the Carbon Disclosure Project (CDP) proposes a tool to translate a GHG emissions reduction target to a change in temperature in 2100 against preindustrial level. More and more companies communicate reductions targets. However, the heterogeneity of these targets makes comparison between companies difficult. In addition, it is complicated to evaluate targets consistency with COP21 temperature increase objectives. With this tool it is possible for investors to compare targets and to verify their consistency with COP21 temperature objectives.

For more details on climate change we kindly ask the reader to refer to our dedicated book "les 8 clefs pour comprendre le défi climat" [5]

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(4)Region　　　Source
Europe　　　　https://www.consilium.europa.eu/fr/press/press-releases/2021/04/21/european-climate-law-council-and-parliament-reach-provisional-agreement/
UK　　　　　　https://www.gov.uk/government/news/uk-sets-ambitious-new-climate-target-ahead-of-un-summit
China　　　　　https://climateactiontracker.org/countries/china/
USA　　　　　　https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/22/fact-sheet-president-biden-sets-2030-greenhouse-gas-pollution-reduction-target-aimed-at-creating-good-paying-union-jobs-and-securing-u-s-leadership-on-clean-energy-technologies/#:~:text=Today%2C%20President%20Biden%20will%20announce,to%20tackle%20the%20climate%20crisis.

(5)Link: https://www.dnca-investments.com/isr/DNCA_8%20cles%20pour%20comprendre_LE_CLIMAT_Web%20pages.pdf

What is DNCA Finance's agenda?

In 2020, DNCA Finance decided to move towards climate risks assessment with a full analysis of its portfolio's temperature.

For this very first time, the objective was to draw up a portrait of the initial situation. We are aware of future developments in terms of data and calculation standards (better transparency, new methodologies, improvement of existing methodologies…) and the constant evolution of our regulatory environment. Considering that framework, our ambition is to always increase our knowledge and practices to align our investments according to the European Commission targets. Therefore, we would like to have a multiple approach to address this single objective through the following different target timelines:

Short term targets: 2021-2022

1-   Improve our data coverage thanks to the CDP.

2-   Improve our analysis to include a perspective by comparing temperature results with Absolute Carbone Emissions, Carbon footprint, Carbon Intensity and the evolution between 2020 and 2021.

3-   Engage directly with the TOP 10 companies that represents the worst performers in terms of Temperature rating.

4-   Engage directly with the TOP 10 companies without Climate data and engagement, and that represents our biggest exposure in terms of AUM.

5-   Support say on climate resolutions.

6-   Set up management tools to meet mid-term targets at portfolio level.

Mid-term targets: 2025-2030

1-   Decrease the average Temperature Rating of DNCA Finance's portfolios.

2-   Decrease the average Carbone Intensity of DNCA Finance's portfolios.

3-   Decrease the share of funds that are not aligned with a 2° temperature.

Long-term ambition:

1-   100% of our portfolio's holdings should have a proven validated alignment 2°.

2-   100% of our funds should be aligned with the 2° temperature.

3-   Comply with the European commission targets.

CARBON DISCLOSURE PROJECT TEMPERATURE RATING METHODOLOGY

DNCA Finance will use CDP's temperature ratings to steer the temperature pathway for its investments. CDP's temperature ratings dataset provides a temperature pathway for close to 2,850 international companies based on their greenhouse gas emission reduction targets and covering each company's value chain. Companies report these emission targets to CDP, which offers the main environmental reporting platform and the largest environmental database worldwide.

CDP's temperature ratings draw on a publicly available and transparent methodology currently developed by CDP and the WWF, which translates companies' emission reduction goals into temperature pathways. These temperature ratings reflect the long-term global warming potential if global GHG emissions or intensities were reduced at the same pace as the company being analysed to achieve its targets.

This methodology is also one of the officially accepted Science Based Target initiative methodologies used to enable investors to set GHG emission reduction targets for their investment portfolios (SBTi for Financial Institutions).

These temperature data are crucial in enabling investors to better monitor the risks arising from the ecological transition, safeguard their portfolios from costly climate change, and engage in dialogue with companies by drawing on simple and transparent data. DNCA Finance supports the CDP SBT Campaign as part of its shareholder engagement approach. This collaborative engagement initiative is supported by 137 financial institutions, holding nearly $20 trillion in assets. During this campaign, CDP asked more than 1,800 of the most high-emitting companies to pledge to GHG emission reduction targets on a par with the Paris Agreement.

In this section we introduce the methodological background that supports CDP / WWF temperature ratings, or temperature scores, as well as the temperature rating methodology itself.

Climate models, Scenario, and Temperature Change

Climate models are numerical tools. Given a set of input parameters, a climate model simulates the evolution of earth climate in the future.

Part of input parameters are grouped in what are called socio-economic scenarios, while other parameters are related to earth climate physics and chemistry, as well as climatology. Parameters in scenarios are for instance the evolution of energy consumption, evolution of energy mix production / GHG emissions, demography, evolution of lifestyles, application of environmental policies, …

One major output of climate models is the global average temperature simulated at fixed horizon. Currently the usual horizon is 2100 and, simulated temperatures are compared to pre-industrial observed temperatures. It is usual to group scenarios by the difference of the two temperatures. For instance, +1.5°c scenarios or +4°c scenarios. It is important to know that very different scenarios can lead to same temperature difference at fixed horizon and, that some scenarios rely on dramatic GHG emissions removals.

It is good to recall that for reaching the COP21 objective of +1.5°c in 2100 reduction of GHG emissions are mandatory. This is the reason why more and more companies report GHG emissions reduction targets and plans. We now review Carbon Disclosure Project to translate a company reduction target to a temperature score.

Translate individual reduction targets to temperature scores

The Big Picture

The purpose of CDP with its temperature score is to translate the ambition of corporate GHG emission reductions into a single common and intuitive metric that is linked to the long-term temperature outcomes associated with the ambition of the target (cf. Temperature Rating Methodology).

CDP splits its methodology in three steps. The first step is to map target ambitions level to temperature outcomes. The second step is to identify, filter and aggregate multiple target scores into one company score. CDP points out that it is common to observe that companies have multiple climate targets, covering different scopes and timeframes. Last step is to aggregate multiple company scores into one portfolio score.

Figure 1 CDP Methodology steps – CDP Temperature Rating Methodology

STEP 1	STEP 2	STEP 3
Target protocol: mapping target ambition levels to temperature outcomes.	Company protocol: identify, filter and aggregate multiple target scores into one company score.	Portfolio protocol: aggregation of multiple company scores into one portfolio score.
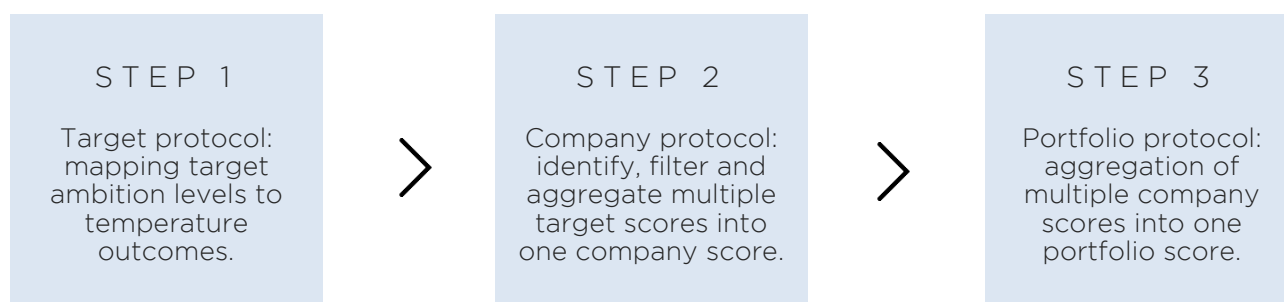
Source: CDP/WWF Temperature Rating Methodology

In step one a method to convert targets into temperature score is proposed. The idea is to calculate changes in socio-economic scenarios parameters for a set of scenarios.

To build this set of scenarios CDP uses Integrated Assessment Modelling Consortium (IAMC) 1.5°c database and selects from it the most relevant scenarios. In particular, CDP excludes scenarios that rely on a significant amount of emissions removals. Then a linear regression is estimated between the warming in 2100 given by scenarios and one of the calculated scenario parameter change. The procedure is repeated for each selected parameter and at different horizons to be able to handle all companies targets horizons.

The output of this process are different coefficients (one for each parameter and horizon) that convert change in a scenario parameter in warming in 2100.

Finally, CDP maps companies' targets to socio-economic scenarios parameters to decide which coefficients shall be used to translate this individual target to a warming in 2100 (c.f. Annex 1 of CDP Temperature Rating Methodology).

Figure 2 How to translate individual reduction targets to temperature scores

1 Selection of relevant scenarii & Calculation of changes in scenario variables
Linear Annual Reduction (LAR)

2 Linear Regression to estimate coefficient between variable LAR and t°c in 2100

3 For a given company we can now « transform » a target into a t°c in 2100
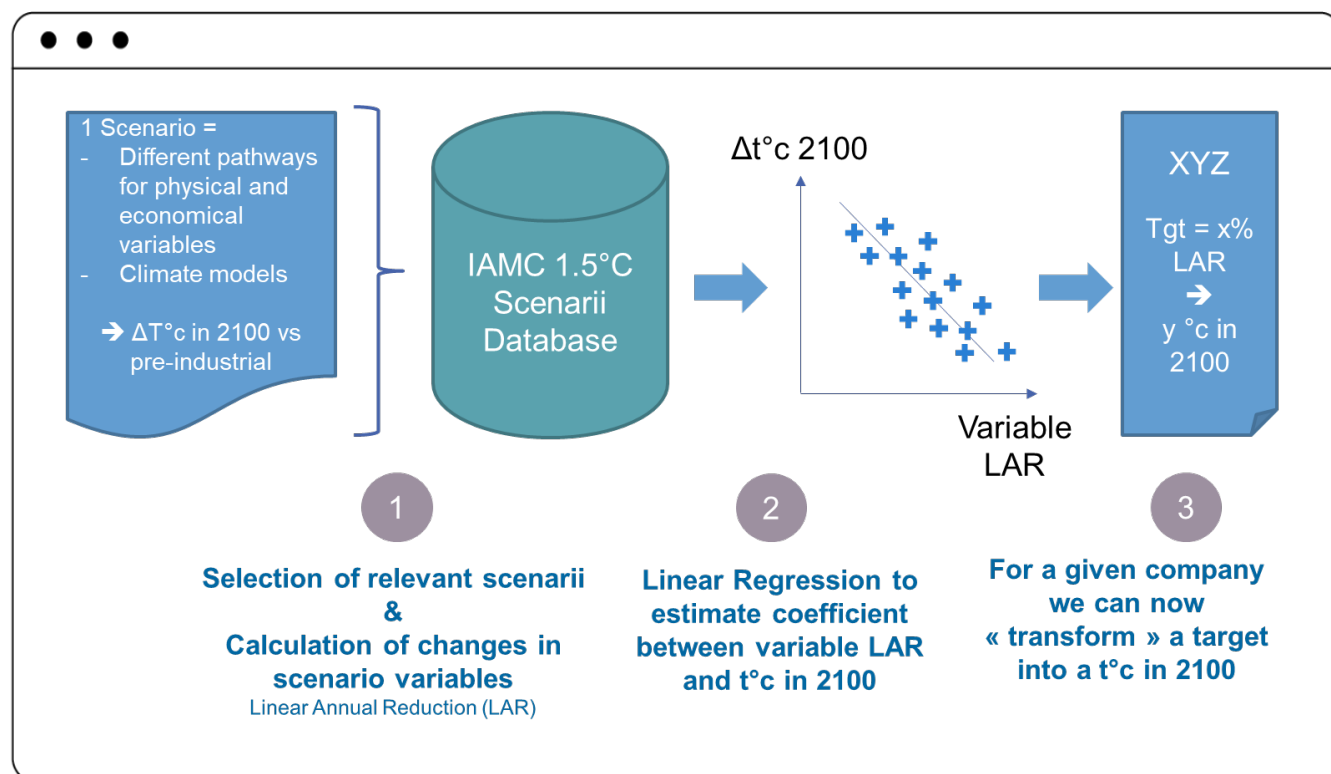
Comments and limits on methodology

In the Temperature Rating Methodology, CDP and WWF raise some limits to their methodology. We think three are particularly important.

First, temperature rating is obtained from a world scale analysis. Application at company scale can lead to biased results if a company operates in specific activities or geographies.

Second, temperature rating is based on company targets and assumes that announced targets will be met. If targets are missed, companies got unfairly low temperature scores. To avoid such situations, it would be interesting to estimate probability of meeting a target that is not validated by the Science Based Target initiative (SBTi). Note that CDP and WWF will work on an approach to measure progress against targets. This may allow to adjust the temperature rating of the company to reflect both target ambition and company performance.

Third, temperature rating is a forward looking metric. It penalizes companies that have already reduced a lot their emissions (assuming increasing cost of reducing emissions). We add that temperature rating is commanded by reduction rate in emissions or intensities. Hence it also penalizes companies that have low and incompressible emissions or intensities. Our understanding is that such virtuous or low carbon companies shall seek a Science Based Target (SBT) rating.

Based on our analysis, at portfolio level, we observe that using Enterprise Owned emissions weighted Temperature Score (EOTS) methodology allows to mitigate the third limit. Indeed, EOTS weights are a function of historical emissions, and all other things being equal, smaller emissions lead to smaller contribution to portfolio temperature score.

Few words on economy wide default scores

In the absence of targets, CDP assumes that companies follow a business-as-usual pathway. CDP Default scores therefore represent an expected business as usual trajectory for the company. CDP recalls that Business as usual trajectories can be defined at a company, sector, or economy wide level.

As an interim solution, current CDP methodology focuses on uniform default scores at an economy wide level. The chosen economy wide default score is based on 2100 warming projections for business-as-usual pathways. Different estimates are possible, showing 66% probability ranges that together cover temperatures from 2.8°c to 3.9°c.

Finally, CDP proposes to use 3.2°c as economy wide default score. We note that CDP plans to develop more detailed uniform and sector specific default scores for companies with no valid GHG emission reduction targets.

Aggregating temperature scores

In the Temperature Rating Methodology, CDP and WWF propose and compare seven different weighting methodologies for aggregating company temperature scores at portfolio or index level. In this sub-section we focus on two of them and briefly introduce the others.

Weighted Average Temperature Score - WATS

Weighted average temperature score (WATS)	Temperature scores are allocated based on portfolio weights.	$\sum_{n}^{i}(Portfolio\ weight_i \times TS_i)$

Source: CDP/WWF Temperature Rating Methodology

Weighted average temperature score (WATS) is the first method. Temperature scores are weighted by portfolio weights. That is the aggregated score is the portfolio weighted average of individual temperature score.

WATS is the easiest method, it is easily understandable and support standardization of methods (cf. Temperature Rating Methodology), however it does not consider GHG emissions. Hence exposure to high impact companies is not readable with that approach.

Enterprise Owned Temperature Score - EOTS

Enterprise Owned emissions weighted temperature score (EOTS)	Temperature scores are allocated based on an enterprise ownership approach	$\sum_{n}^{i}\left(\left(\dfrac{\dfrac{Investment\ value_i}{Company\ enterprise\ value} \times Company\ emissions_i}{Total\ enterprise\ owned\ emissions}\right) \times TS_i\right)$

Source: CDP/WWF Temperature Rating Methodology

Enterprise Owned emissions weighted Temperature Score (EOTS) is the second method we focus on. Temperature scores are weighted by shares of companies owned emissions in total owned emissions. That is the aggregated score is the owned emissions weighted average of individual temperature score. Owned emissions are calculating against the share of enterprise value (EV) owned.

EOTS is more complicated to calculate since it needs additional corporate financial data. Moreover, enterprise value calculation requires to make assumptions when dealing with large perimeters of analysis and, to check for negative EV. However, it integrates GHG emissions in the calculation and allows to reflect more correctly exposure toward high impact companies. EOTS is part of CDP recommended methods to be applied in temperature rating of portfolios.

Other weighting methods

Total emissions weighted temperature score (TETS)	Temperature scores are allocated based on historical emission weights using total company emissions.	$\sum_{n}^{i} \left(\frac{Company\ emissions_i}{Portfolio\ emissions} \times TS_i \right)$
Enterprise Value + Cash emissions weighted temperature score (ECOTS)	Temperature scores are allocated based on an enterprise value (EV) plus cash & equivalents ownership approach	$\sum_{n}^{i} \left(\left(\frac{\frac{Investment\ value_i}{Company\ EV + Cash} \times Company\ emissions_i}{Total\ EV + Cash\ owned\ emissions} \right) \times TS_i \right)$
Total Assets emissions weighted temperature score (AOTS)	Temperature scores are allocated based on a total assets ownership approach	$\sum_{n}^{i} \left(\left(\frac{\frac{Investment\ value_i}{Company\ Total\ Assets} \times Company\ emissions_i}{Total\ Assets\ owned\ emissions} \right) \times TS_i \right)$
Revenue owned emissions weighted temperature score (ROTS)	Temperature scores are allocated based on the share of revenue	$\sum_{n}^{i} \left(\left(\frac{\frac{Investment\ value_i}{Company\ Revenue} \times Company\ emissions_i}{Total\ Revenue\ owned\ emissions} \right) \times TS_i \right)$
Market Owned emissions weighted temperature score (MOTS)	Temperature scores are allocated based on an equity ownership approach.	$\sum_{n}^{i} \left(\left(\frac{\frac{Investment\ value_i}{Company\ market\ cap} \times Company\ emissions_i}{Portfolio\ market\ value\ owned\ emissions} \right) \times TS_i \right)$

Source: CDP/WWF Temperature Rating Methodology

CDP reviewed five other possible weighting methodologies. Four are part of CDP recommended methods to be applied in temperature rating of portfolios, the Enterprise Value + Cash emissions weighted temperature score (ECOTS), the Market Owned emissions weighted temperature score (MOTS), the Total Assets emissions weighted temperature score (AOTS) and the Revenue owned emissions weighted temperature score (ROTS). One is only based on historical emissions, the Total Emissions weighted temperature score (TETS).

The TETS methodology does not incorporate the structure of the portfolio but it is the best to reflect exposure toward high impact companies compared to ownership approaches.

Among ownership approaches, the MOTS methodology cannot be applied on corporate bonds. The ROTS formula, as defined here, assumes that company value is its total revenue. ECOTS and AOTS respectively use enterprise value plus cash and total assets to calculate ownership.

DNCA FINANCE TEMPERATURE SCORING

At the end of December 2020, we analyzed the temperature trajectory of a large portion of DNCA Finance aggregated portfolios using CDP temperature rating methodology. At this date we extract from DNCA Finance's book more than 900 different issuers of corporate bonds, equities, or convertibles for a total amount of more than 20 billion of euros.

Application of CDP temperature rating methodology commands to select between different options. They are about the missing score filling methodology, the aggregation method and the scope of GHG emisssions. In this section we first present the selected options and reasons leading to them. We then present temperature scores at DNCA finance level, at funds level and, finally, we present details for Beyond range of funds and large DNCA Finance funds.

Selection of methodological options

Selection of methodological options used to calculate DNCA Finance temperature scores is the result of various analyses conducted during first months of 2021. We detail main analyses conclusions and selected options.

CDP temperature score coverage and profile of missing companies

Analyses of DNCA Finance as well as MSCI Europe and MSCI World coverages show temperature scores missing rates ranging from 29% to 62% of issuers. This translates to missing rates ranging from 21% to 34% of AUM/Market Capitalization. Intuitively, size of companies in DNCA Finance portfolios is candidate explanation for higher level of missing rate than those of large cap benchmarks.

	Missing GHG - count %	Missing GHG - AUM %	Missing °c score - count %	Missing °c score - AUM %
DNCA Finance	28%	11%	63%	34%
MSCI Europe	5%	5%	29%	21%
MSCI World	6%	4%	42%	31%

Table 1 GHG and °c scores missing rates within different perimeters

Missing information is problematic because it can bias our °c score calculation. To estimate the effect this may have on the representativity of the calculated temperature score, we investigated how missing rate evolve with companies' fundamentals such as market capitalization, revenue, and most important, industry.

It appeared that we miss information on small companies (cf. Table 2) and across all industries (cf. Table 3). In addition, we tend to observe rather significant per issuer missing rate (equally weighted) in portions of our portfolios that are significantly exposed toward climate change stake (cf. Table 3).

Table 2 Missing rates for CDP temperature score and segmentation of DNCA Finance portfolios per market capitalization buckets

Market Capitalization	<50 ME	≥50 - <300 ME	≥300ME - <2 MME	≥2 - <10 MME	≥10 - <200 MME	≥200 MME	Missing
Count % missing rate	100%	100%	80%	56%	39%	47%	99%
Count	8	60	203	290	295	15	79
Count %	1%	6%	21%	30%	31%	2%	8%
AUM % missing rate	100%	100%	74%	43%	15%	23%	100%
AUM	15	137	1577	4 907	11492	673	1 489
AUM %	0%	1%	8%	24%	57%	3%	7%

MARKET CAPITALISATION
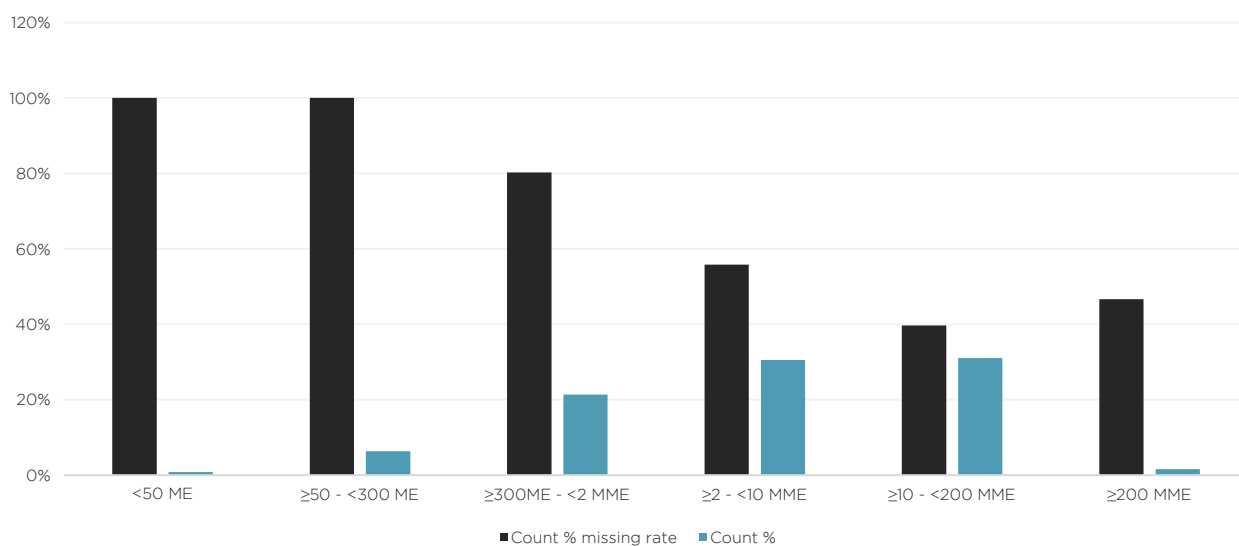
MARKET CAPITALISATION
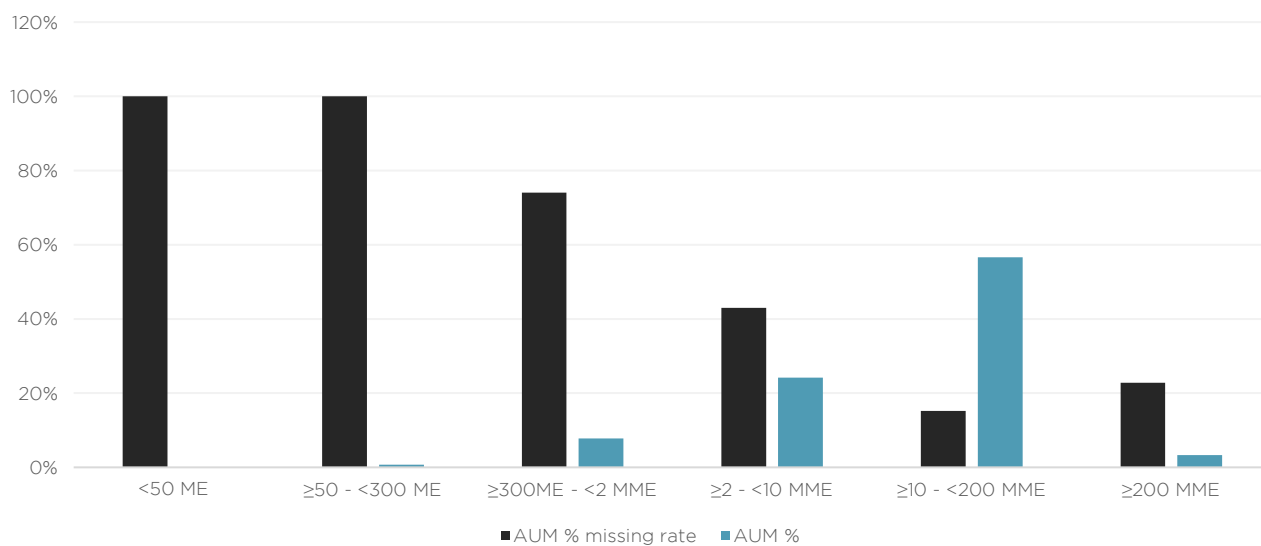
Table 3 Missing rates for CDP temperature score per Economic Sector

75% of GHG 123 emissions of DNCA Finance perimeter are emitted in Energy Minerals, Consumer Durables, Producer Manufacturing, Non-Energy Minerals and Utilities sectors. Moreover, 81% of GHG 12 emissions of DNCA finance perimeter are emitted in Energy Minerals, Non-Energy Minerals, Utilities and Transportation sectors. 75 companies are not mapped to any sectors. Temperature score is the sector average of available scores or default temperature if no scores are available.

DNCA's position Economic Sector breakdown	Count	Count %	Count % missing rate	AUM €M	AUM %	AUM % missing rate	1+2 °c (scope) score	1+2+3 °c (scope) score
Energy Minerals	20	2%	20%	601	3%	1%	2,6	3,0
Process Industries	35	4%	43%	685	3%	11%	2,5	2,9
Consumer Non-Durables	52	5%	44%	1 455	7%	13%	2,1	2,4
Non-Energy Minerals	16	2%	38%	254	1%	14%	2,7	2,8
Electronic Technology	66	7%	47%	1 647	8%	17%	2,6	3,0
Transportation	31	3%	42%	349	2%	18%	2,6	2,9
Industrial Services	26	3%	58%	762	4%	19%	2,6	2,8
Utilities	31	3%	42%	670	3%	21%	1,9	2,3
Finance	118	12%	54%	2 299	11%	22%	2,6	2,9
Consumer Durables	37	4%	62%	847	4%	15%	2,2	2,6
Producer Manufacturing	72	8%	58%	1 744	9%	22%	2,3	2,9
Health Services	18	2%	83%	424	2%	36%	2,7	3,2
Commercial Services	33	3%	61%	1 206	6%	35%	2,8	2,8
Miscellaneous	2	0%	50%	3	0%	38%	1,5	1,5
Health Technology	80	8%	65%	2 147	11%	41%	2,4	2,9
Communications	16	2%	44%	820	4%	35%	2,3	2,8
Technology Services	121	13%	84%	1 669	8%	51%	2,2	2,7
Retail Trade	39	4%	67%	620	3%	56%	2,1	2,8
Distribution Services	22	2%	77%	107	1%	72%	2,2	2,7
Consumer Services	40	4%	75%	498	2%	69%	2,4	2,9
Total	875			18 807				

Because of size of missing companies, we observe that missing rates per AUM are lower in high climate impact portions of our portfolios. Despite this last observation, the situation requires to select and apply a filling option. We detail these options in next sub-section.

Filling options

Our analyses confirmed that we miss temperature scores for a non negligeable part of our perimeter, about 34% of AUM. In our analyses we investigated different ways of handling missing temperature scores in calculation of aggregated temperature score.

We retained the three following options:

-First, dropping issuers with missing scores and rebasing aggregated weights accordingly. The created biases shall not impair too much the relevance of our calculated °c score according to coverage of high impact sectors.

-Second, filling in all missing scores with the default °c score proposed by CDP.

-Third, filling in missing data with a penalized average score of economic sectors (if not available we use default 3.2°c score). Indeed, since companies that do not report can be considered as less proactive and ambitious in reducing GHG emissions we calculated scores with +50% penalty.

Our analyses confirmed that option three yields highest temperature scores, while option one yields lowest scores.

Aggregation method, GHG Scope and Wrap up of chosen options

The filling methodology choosen, the two remaining choices concern score aggregation method and the inclusion or not of scope 3 in our calculation.

We recall that the GHG Protocol Corporate Standard classifies a company's GHG emissions into three "scopes". Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions..

Our analyses revealed that for DNCA Finance perimeter WATS and EOTS weighting methodologies yield similar scores (max difference is 0.2°c). Hence, we decided to choose the EOTS aggregation method. In addition to be recommended by the CDP, this method matches current aggregation method used by DNCA Finance Responsible Investment team.

Regarding inclusion of scope 3 in score calculation, our analyses revealed that it leads to higher temperature scores. It means that on average companies' reduction targets on scope 3 are less ambitious than on the scope 1 and 2. Scope 3 is currently characterized by differences in method of calculation which probably bias CDP scores and EOTS weighting. For these reasons we do not include scope 3 in our calculation but will do so as soon as calculation methodology will be satisfactory.

To summarize, retained options are:

-        Scope 1 and 2 scores

-        EOTS weighting method

-        Three filling methods:

o   No filling, also named Available

o   Default filling, also named Default

o   Sector averages + 50% penalty, also named Sector

At the end we calculate three different scores for a given perimeter.

DNCA Finance perimeter scores

Applying selected options, we now present the three different temperature scores for selected DNCA Finance perimeter (Table 4). We recall that at the end of December 2020, this perimeter aggregates 73 funds, with more than 900 unique issuers of bonds, equities, or convertibles for a total amount of more than 20 billion of euros. For comparison purpose we present same statistics for broad European and Global benchmarks, the MSCI Europe and the MSCI World.

Temperature scores range from 2.5°c to 2.6°c for DNCA perimeter.

It means that selected and scored DNCA Finance portfolio temperature trajectory is aligned to a probable temperature increase of +2.5°c against pre-industrial global average temperature. The three scores are above the COP21 objective of holding the increase in the global average temperature to well below 2 °C above pre-industrial levels. Our scores are in line or rather lower than those of broad benchmarks.

Table 4 Temperature score for selected filling options and perimeters

	Available	Default	Sector
DNCA Finance	2,5°c	2,6°c	2,6°c
MSCI World	2,4°c	2,7°c	3,0°c
MSCI Europe	2,3°c	2,6°c	2,9°c

We analyze DCNA scores in section presenting tools for stewardship.

DNCA Finance funds temperature scores

In previous section we presented temperature scores for whole DNCA Finance portfolios and benchmarks perimeters. Using the same filling options, we now calculate temperature scores for each portfolio in the studied DNCA Finance perimeter.

DNCA Finance studied perimeters contains 73 funds, figure 3 presents distributions of funds' temperature scores within DNCA Finance selected perimeter. No fund is at the 1.5°c COP 21 objective. Depending on filling options score medians are equal to 2.3 or 2.6°c. Penalized average filling option yields highest temperature scores, while no filling option yields lowest scores.

Figure 3 Funds' temperature scores box plots for selected filling options

TEMPERATURE SCORES (°c)

■ No filing   ☐ Default   ■ Penalized Average
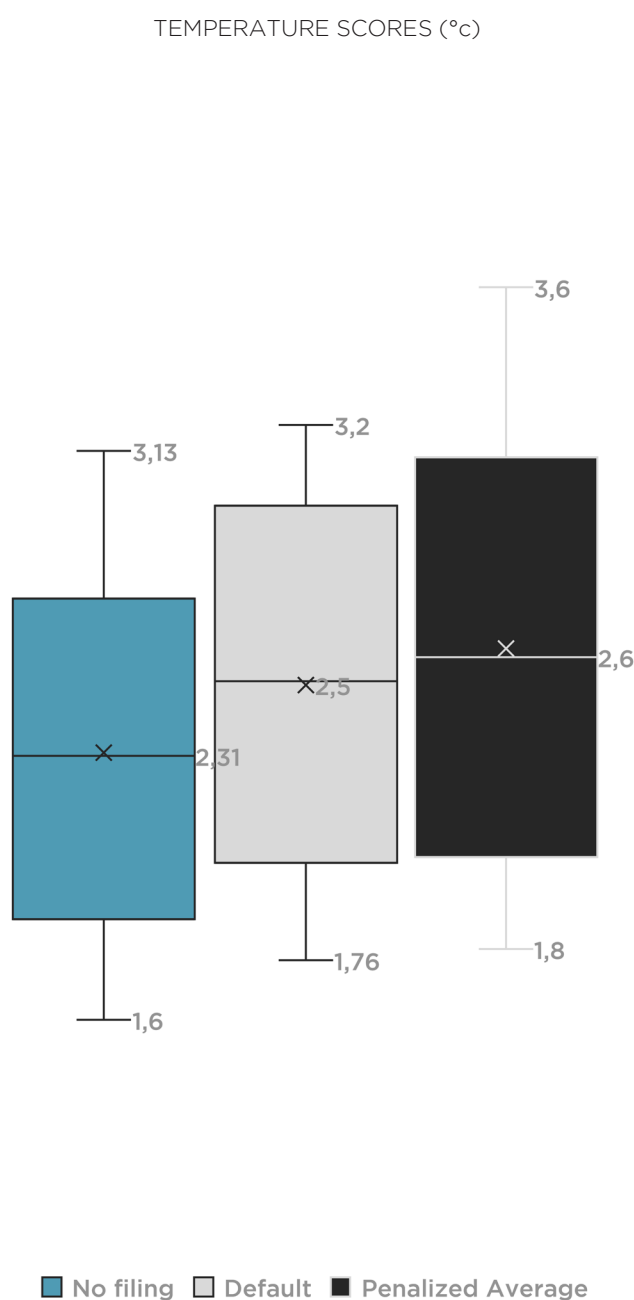
Figures 4 presents funds and AUM segmentations per scores buckets. 20 to 13 funds are below the 2°c objective depending on filling options used (17% to 13% of analyzed AUM).

Whatever filling options considered we observe bi-modal distributions of AUM and Funds. Depending on filling option, first mode is the 1.8-2.0 or 2.0-2.2 bucket. In that bucket, considering no filling option, largest open funds (above 100 M€) are DNCA Actions Euro, DNCA Euro Dividend Grower, Ecureuil Profil 90 and DNCA Invest South Europe Opportunities.

Second mode is the 2.5-3.0 bucket and is the largest mode. Considering same no filling option, largest open funds in that bucket (above 100 M€) are Eurose, DNCA Invest Eurose, DNCA Actions Européennes, DNCA Actions Small & Mid Cap Euro, DNCA Europe Smaller Companies Fund, DNCA Global Emerging Equity, DNCA Invest Sérénité Plus, DNCA Sérénité Plus.

Figures 4 Funds and AUM segmentation per temperature score buckets (°c)

AUM % - No filing

>3,0
6%

]1,5-1,8]
1%

]1,8-2,0]
16%

]2,0-2,2]
14%

]2,5-3,0]
36%

]2,2-2,5]
27%

AUM % - Default

>3,0
12%

]1,8-2,0]
13%

]2,0-2,2]
14%

]2,2-2,5]
11%

]2,5-3,0]
50%

AUM % - Penalized Average

>3,0
13%

]1,8-2,0]
13%

]2,0-2,2]
14%

]2,2-2,5]
8%

]2,5-3,0]
52%
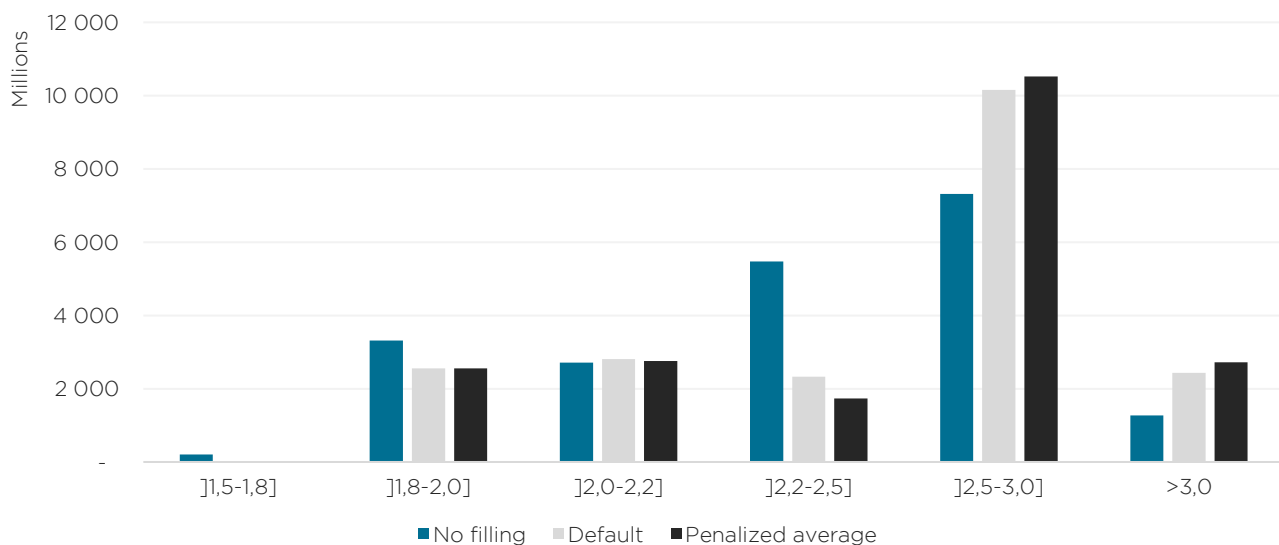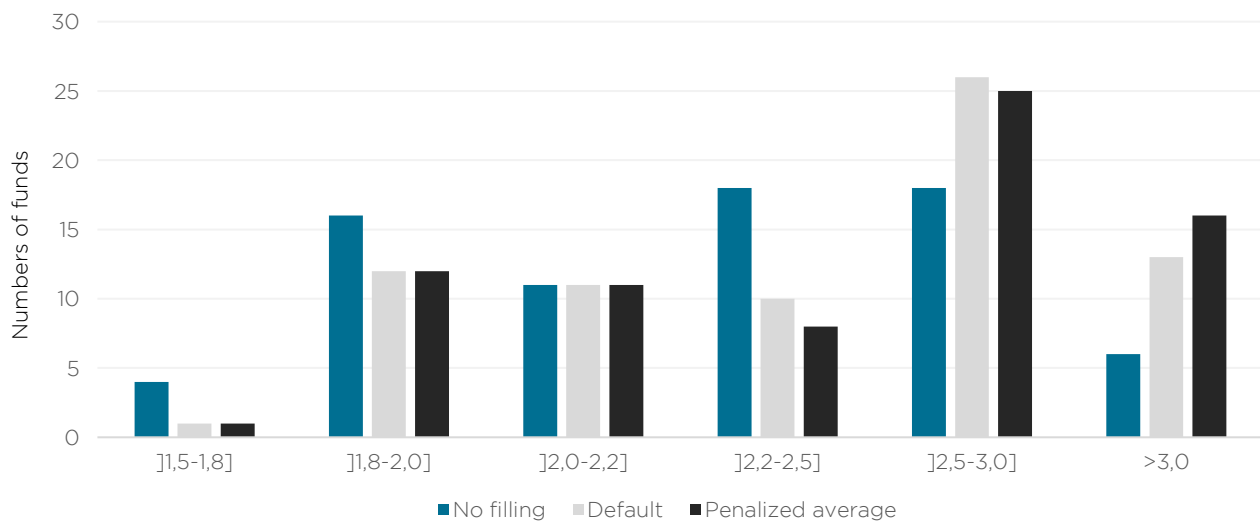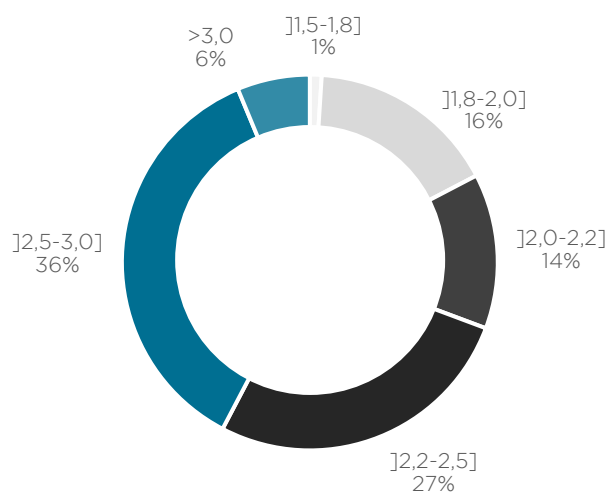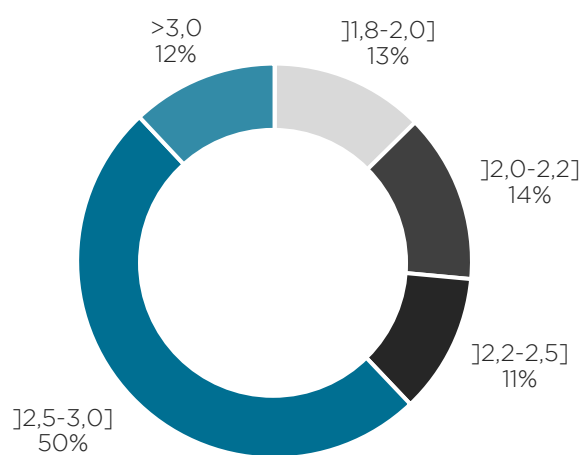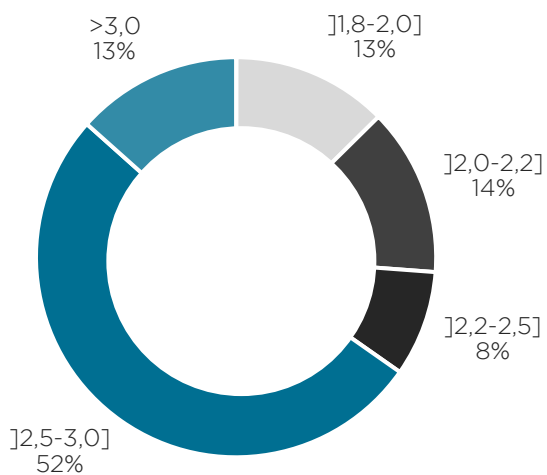
Table 5 presents three different temperature scores for each fund within selected DNCA Finance perimeter as well as the issuer and AUM coverage percentage and number of issuers included in the score calculation.

Note that the "no filling and rebasing" weights can strongly bias a fund temperature score in the case of very low coverage ratio. In that case the portfolio score is biased toward score of available companies. From that point of view, filling options are more desirable since a portfolio with a low coverage is going to be biased toward filling value rather that available scores.

Table 5 Temperature score and coverage for selected filling options and funds

Portfolios	Number of issuers	AUM (M€)	Available (°c)	Default (°c)	Sector (°c)	Coverage count %	Coverage AUM %
Dedicated Fund or Mandate	32	46	2,0	2,0	2,0	81%	85%
Dedicated Fund or Mandate	14	7	1,7	1,8	1,8	50%	44%
Dedicated Fund or Mandate	37	94	1,9	1,9	1,9	76%	78%
Dedicated Fund or Mandate	43	59	2,1	2,1	2,2	65%	67%
Centifolia	38	915	2,3	2,4	2,5	63%	82%
Dedicated Fund or Mandate	43	104	3,0	3,0	3,1	84%	86%
Dedicated Fund or Mandate	75	316	3,0	3,1	3,2	39%	40%
Dedicated Fund or Mandate	34	239	2,3	2,5	2,7	56%	57%
Dedicated Fund or Mandate	42	202	2,5	2,5	2,6	83%	86%
Dedicated Fund or Mandate	42	8	3,0	3,0	3,0	76%	76%
Dedicated Fund or Mandate	37	51	1,9	1,9	2,0	76%	78%
DNCA Actions Euro	37	368	1,9	1,9	2,0	76%	77%
DNCA Actions Euro Micro Caps	62	103	1,8	3,2	3,5	2%	0%
DNCA Actions Euro PME	77	210	3,1	3,2	3,4	8%	12%
DNCA Actions Européennes	44	180	2,6	2,6	2,6	77%	76%
DNCA Actions Small & Mid Cap Euro	78	334	2,6	3,1	3,3	45%	50%
DNCA Actions Small & Mid Cap France	73	146	2,5	3,1	3,6	41%	50%
DNCA Beyond Engage	44	75	2,2	2,2	2,3	91%	89%
DNCA Convertibles Euro	49	395	2,0	2,0	2,0	57%	64%
DNCA Convertibles Europe	52	292	2,3	2,3	2,3	50%	59%
DNCA Emerging Europe Equity	34	30	2,9	3,0	3,1	32%	27%
DNCA Euro Dividend Grower	35	382	1,9	1,9	2,0	89%	91%
DNCA Euro Smart Cities	37	90	2,1	2,2	2,2	62%	68%
DNCA Euro Value Equity	45	36	3,1	3,1	3,1	87%	87%
DNCA Europe Smaller Companies Fund	75	140	3,0	3,1	3,2	39%	40%
DNCA Evolutif	64	310	2,5	2,6	2,6	72%	76%
DNCA Evolutif PEA	55	47	2,5	2,6	2,7	73%	78%

The ranking of DNCA funds aligned with the temperature objective (table 4) is given as an indication, based on the issuers in the portfolio as of 30/06/2021, according to the calculation methods described in the document. The data may change over time.

Portfolios	Number of issuers	AUM (M€)	Available (°c)	Default (°c)	Sector (°c)	Coverage count %	Coverage AUM %
DNCA Global Convertible Bonds	125	79	2,9	2,9	3,0	30%	31%
DNCA Global Emerging Equity	48	337	2,8	3,0	3,2	19%	25%
DNCA Global Emerging Equity (exAsie)	11	69	1,6	2,2	2,3	18%	16%
DNCA Global New world	45	179	2,3	2,6	2,6	42%	49%
DNCA Invest Archer Mid-Cap Europe	67	193	2,5	3,0	3,2	24%	21%
DNCA Invest Beyond Alterosa	80	41	2,0	2,1	2,2	58%	67%
DNCA Invest Beyond Climate	41	60	2,0	2,2	2,2	63%	67%
DNCA Invest Beyond European Bond Opportunities	72	37	2,0	2,1	2,1	51%	59%
DNCA Invest Beyond Global Leaders	43	463	3,1	3,1	3,5	37%	35%
DNCA Invest Beyond Infrastructures et Transition	46	76	1,9	2,1	2,1	63%	70%
DNCA Invest Beyond Semperosa	37	196	2,2	2,5	2,5	68%	72%
DNCA Invest Convertibles	50	534	2,0	2,0	2,0	68%	75%
DNCA Invest SRI Europe Growth	32	1556	2,3	2,5	2,7	56%	60%
DNCA Invest Eurose	146	2276	2,7	2,7	2,8	49%	65%
DNCA Invest Evolutif	66	321	2,5	2,6	2,6	71%	76%
DNCA Invest Global Convertibles	108	82	2,6	2,7	2,8	46%	51%
DNCA Invest SRI Norden Europe	49	360	2,1	2,2	2,2	33%	38%
DNCA Invest Sérénité Plus	74	183	2,9	2,9	2,9	49%	54%
DNCA Invest South Europe Opportunities	39	107	1,9	2,8	3,0	51%	64%
DNCA Invest SUSTAINABLE CHINA EQUITY	25	11	2,6	3,2	3,4	24%	25%
DNCA Invest Value Europe	47	649	2,5	2,6	2,6	83%	85%
DNCA LCR EUROPE GROWTH	28	12	2,3	2,4	2,5	61%	60%
Dedicated Fund or Mandate	43	57	2,5	2,5	2,6	81%	84%
DNCA Opportunités Zone Euro	46	138	2,4	2,8	2,9	61%	68%
DNCA Sérénité Plus	76	283	2,9	2,9	2,9	47%	54%
DNCA Value Europe	46	369	2,5	2,5	2,6	83%	85%
ECUREUIL INVESTISSEMENTS	31	1648	2,1	2,1	2,1	77%	86%
Ecureuil Profil 75 (Act. EURO)	37	190	1,9	1,9	1,9	76%	78%
Ecureuil Profil 90 (Act Euro)	37	590	1,9	1,9	2,0	76%	78%
Europe Opportunités M	60	153	2,1	2,1	2,1	77%	83%
Eurose	146	2354	2,7	2,8	2,8	49%	65%
Dedicated Fund or Mandate	37	143	1,9	1,9	2,0	76%	78%
FRUCTI ACTIONS FRANCE	39	637	2,3	2,5	2,6	67%	79%
Hugo	78	38	2,6	2,7	2,7	65%	69%
Dedicated Fund or Mandate	23	12	2,2	2,4	2,4	96%	91%
Dedicated Fund or Mandate	78	87	2,6	3,1	3,3	45%	50%

Lutea	30	8	2,3	2,3	2,3	57%	61%
Dedicated Fund or Mandate	28	62	2,4	2,9	3,4	50%	62%

The ranking of DNCA funds aligned with the temperature objective (table 4) is given as an indication, based on the issuers in the portfolio as of 30/06/2021, according to the calculation methods described in the document. The data may change over time.

Portfolios	Number of issuers	AUM (M€)	Available (°C)	Default (°C)	Sector (°C)	Coverage count %	Coverage AUM %
Oralie Patrimoine	44	5	2,0	2,3	2,4	64%	66%
Dedicated Fund or Mandate	37	45	1,9	1,9	2,0	76%	78%
Dedicated Fund or Mandate	37	56	1,9	1,9	2,0	76%	77%
Dedicated Fund or Mandate	37	209	1,9	1,9	2,0	76%	77%
Dedicated Fund or Mandate	78	146	2,6	3,1	3,3	45%	50%
SICAV PIANA	35	11	1,9	2,2	2,2	60%	60%
Dedicated Fund or Mandate	38	25	2,4	2,8	2,9	68%	72%
Dedicated Fund or Mandate	8	28	1,6	1,8	1,9	25%	25%

The temperature scores of DNCA Finance funds are given for information only, based on the issuers present in the portfolio as of 12/31/2020, according to the calculation methods described in the document. These data are intended to change over time.

DNCA Finance funds temperature scores – Details

Below we detail scores and contributions for a sample of DNCA Finance funds. We report the key characteristics of the fund, the top 5 positive and negative contributors to the temperature score, the top 5 best and worst temperature scores, and the main missing scores. We choose to report contributions to score calculated with scope 12, EOTS weighting and three filling options.

DNCA Finance perimeters contains 73 funds, we focus on funds that account for more than 2% of analyzed AUM or that belongs to the DNCA Beyond range of funds. Table 6 presents temperature scores for the three filling options, as well as coverage ratios and number of issuers for short listed funds.

Table 6 Scores for the three filling options, coverage ratios and number of issuers for short listed funds

Portfolios	Number of issuers	AUM (M€)	Available (°c)	Default (°c)	Sector (°c)	Coverage count %	Coverage AUM %
Eurose	146	2354	2,7	2,8	2,8	49%	65%
DNCA Invest Eurose	146	2276	2,7	2,7	2,8	49%	65%
Ecureuil Investissements	31	1648	2,1	2,1	2,1	77%	86%
DNCA Invest Europe Growth	32	1556	2,3	2,5	2,7	56%	60%
Centifolia	38	915	2,3	2,4	2,5	63%	82%
DNCA Invest Value Europe	47	649	2,5	2,6	2,6	83%	85%
Fructi Actions France	39	637	2,3	2,5	2,6	67%	79%
Ecureuil Profil 90 (Act Euro)	37	590	1,9	1,9	2,0	76%	78%
DNCA Invest Convertibles	50	534	2,0	2,0	2,0	68%	75%
DNCA Invest Beyond Global Leaders	43	463	3,1	3,1	3,5	37%	35%
DNCA Invest Beyond Semperosa	37	196	2,2	2,5	2,5	68%	72%
DNCA Invest Beyond Infrastructures et Transition	46	76	1,9	2,1	2,1	63%	70%
DNCA Beyond Engage	44	75	2,2	2,2	2,3	91%	89%
DNCA Invest Beyond Climate	41	60	2,0	2,2	2,2	63%	67%
DNCA Invest Beyond Alterosa	80	41	2,0	2,1	2,2	58%	67%
DNCA Invest Beyond European Bond Opportunities	72	37	2,0	2,1	2,1	51%	59%

EUROSE

Main Characteristics and Statistics

	Statistics			Statistics
Asset Classes	Multi-Asset	CO2 intensity		-
Investment Zone	Eurozone	CO2 footprint weighted		-
AUM	2353.8	CO2 footprint abs.		-
% DNCA	11.6%	T°c - Available		2.72
Comp. Nb.	146	T°c - Default		2.75
% AUM coverage	65.2%	T°c - Sector		2.78
% Comp. coverage	49.3%			

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
ArcelorMittal SA	0.7%	**0.01**	1.24	0.47	1.73
Nexans SA	1.1%	**0.01**	0.02	0.01	0.05
Stellantis NV	0.9%	**0.01**	0.01	0.01	0.04
Prysmian SpA	1.0%	**0.01**	0.00	0.00	0.03
Galp Energia SGPS SA	0.3%	**0.01**	0.00	0.00	0.03

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
STMicroelectronics NV	2.8%	**-0.01**	0.02	-0.01	0.02
Enel SpA	0.3%	**-0.01**	0.01	0.00	0.02
Faurecia SE	1.1%	**-0.01**	0.00	0.00	0.01
Telecom Italia SpA/Milano	1.7%	**-0.01**	-0.01	0.00	0.00
Sanofi	2.6%	**-0.01**	-0.01	0.00	0.00

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
STMicroelectronics NV	2.8%	**1.50**	0.02
Enel SpA	0.3%	**1.50**	0.02
Faurecia SE	1.1%	**1.50**	0.01
Telecom Italia SpA/Milano	1.7%	**1.50**	0.00
Sanofi	2.6%	**1.50**	0.00

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
ArcelorMittal SA	0.7%	**3.20**	1.73
Nexans SA	1.1%	**3.20**	0.05
Stellantis NV	0.9%	**3.20**	0.04
Prysmian SpA	1.0%	**3.20**	0.03
Galp Energia SGPS SA	0.3%	**3.20**	0.03

Top missing scores

Name	% AUM	Temp. Score Weight
Orange Belgium SA	0.9%	**2.23%**
Iliad SA	1.2%	**1.78%**
Eutelsat Communications SA	0.8%	**1.06%**
Wienerberger AG	0.2%	**0.68%**
Dassault Aviation SA	0.9%	**0.53%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA INVEST EUROSE

Main Characteristics and Statistics

	Statistics		Statistics
Asset Classes	Multi-Asset	CO2 intensity	99
Investment Zone	Eurozone	CO2 footprint weighted	175.4
AUM	2275.9	CO2 footprint abs.	458473
% DNCA	11.2%	T°c - Available	2.72
Comp. Nb.	146	T°c - Default	2.75
% AUM coverage	65.1%	T°c - Sector	2.78
% Comp. coverage	49.3%		

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
ArcelorMittal SA	0.7%	**0.01**	1.22	0.47	1.71
Nexans SA	1.1%	**0.01**	0.02	0.01	0.05
Stellantis NV	0.9%	**0.01**	0.01	0.00	0.04
Prysmian SpA	1.0%	**0.01**	0.01	0.00	0.03
Galp Energia SGPS SA	0.2%	**0.01**	0.00	0.00	0.02

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
STMicroelectronics NV	2.8%	**-0.01**	0.02	-0.01	0.02
Enel SpA	0.3%	**-0.01**	0.01	0.00	0.02
Faurecia SE	1.0%	**-0.01**	0.00	0.00	0.01
Telecom Italia SpA/Milano	2.0%	**-0.01**	-0.01	0.00	0.01
Sanofi	2.5%	**-0.01**	-0.01	0.00	0.00

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
STMicroelectronics NV	2.8%	**1.50**	0.02
Enel SpA	0.3%	**1.50**	0.02
Faurecia SE	1.0%	**1.50**	0.01
Telecom Italia SpA/Milano	2.0%	**1.50**	0.01
Sanofi	2.5%	**1.50**	0.00

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
ArcelorMittal SA	0.7%	**3.20**	1.71
Nexans SA	1.1%	**3.20**	0.05
Stellantis NV	0.9%	**3.20**	0.04
Prysmian SpA	1.0%	**3.20**	0.03
Galp Energia SGPS SA	0.2%	**3.20**	0.02

Top missing scores

Name	% AUM	Temp. Score Weight
Orange Belgium SA	0.9%	**2.12%**
Iliad SA	1.2%	**1.76%**
Eutelsat Communications SA	0.8%	**1.01%**
Wienerberger AG	0.2%	**0.63%**
Dassault Aviation SA	0.9%	**0.49%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA INVEST BEYOND ALTEROSA

Main Characteristics and Statistics

	Statistics		Statistics
Asset Classes	Multi-Asset	CO2 intensity	128.5
Investment Zone	OCDE	CO2 footprint weighted	130
AUM	40.7	CO2 footprint abs.	5537
% DNCA	0.2%	T°c - Available	2.01
Comp. Nb.	80	T°c - Default	2.13
% AUM coverage	67.3%	T°c - Sector	2.15
% Comp. coverage	57.5%		

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Nexans SA	2.1%	0.01	0.12	0.05	0.21
Prysmian SpA	2.0%	0.01	0.07	0.03	0.14
Stellantis NV	0.6%	0.01	0.01	0.01	0.06
ams AG	1.9%	0.01	0.00	0.00	0.05
Geberit AG	2.1%	0.01	-0.02	-0.01	0.02

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Enel SpA	2.0%	-0.01	0.43	-0.14	0.31
Iberdrola SA	1.9%	-0.01	0.09	-0.03	0.08
Faurecia SE	1.3%	-0.01	0.02	-0.01	0.03
STMicroelectronics NV	1.3%	-0.01	0.01	0.00	0.02
Telecom Italia SpA/Milano	3.2%	-0.01	0.00	0.00	0.02

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Enel SpA	2.0%	1.50	0.31
Iberdrola SA	1.9%	1.50	0.08
Faurecia SE	1.3%	1.50	0.03
STMicroelectronics NV	1.3%	1.50	0.02
Telecom Italia SpA/Milano	3.2%	1.50	0.02

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Nexans SA	2.1%	3.20	0.21
Prysmian SpA	2.0%	3.20	0.14
Stellantis NV	0.6%	3.20	0.06
ams AG	1.9%	3.20	0.05
Geberit AG	2.1%	3.20	0.02

Top missing scores

Name	% AUM	Temp. Score Weight
Wienerberger AG	0.8%	5.89%
Iliad SA	0.8%	2.49%
Amplifon SpA	0.7%	0.36%
Roche Holding AG	2.8%	0.31%
Solocal Group	1.0%	0.25%

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA INVEST BEYOND CLIMATE

Main Characteristics and Statistics

	Statistics		Statistics
Asset Classes	Equity	CO2 intensity	397.1
Investment Zone	Europe	CO2 footprint weighted	211.1
AUM	59.7	CO2 footprint abs.	12609
% DNCA	0.3%	T°c - Available	1.96
Comp. Nb.	41	T°c - Default	2.19
% AUM coverage	67.1%	T°c - Sector	2.17
% Comp. coverage	63.4%		

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Prysmian SpA	2.4%	**0.03**	-0.01	0.00	0.07
Geberit AG	1.7%	**0.03**	-0.05	-0.02	0.01
Bureau Veritas SA	1.5%	**0.03**	-0.05	-0.02	0.00
Getlink SE	1.6%	**0.03**	-0.05	-0.03	0.00
Vaisala Oyj	1.5%	**0.03**	-0.05	-0.03	0.00

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Enel SpA	3.5%	**-0.02**	0.25	-0.07	0.21
Iberdrola SA	5.5%	**-0.02**	0.08	-0.02	0.09
UPM-Kymmene Oyj	1.8%	**-0.02**	0.08	-0.02	0.09
STMicroelectronics NV	3.3%	**-0.02**	-0.02	0.01	0.02
Orsted AS	2.4%	**-0.02**	-0.04	0.01	0.01

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Enel SpA	3.5%	**1.50**	0.21
Iberdrola SA	5.5%	**1.50**	0.09
UPM-Kymmene Oyj	1.8%	**1.50**	0.09
STMicroelectronics NV	3.3%	**1.50**	0.02
Orsted AS	2.4%	**1.50**	0.01

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Prysmian SpA	2.4%	**3.20**	0.07
Geberit AG	1.7%	**3.20**	0.01
Bureau Veritas SA	1.5%	**3.20**	0.00
Getlink SE	1.6%	**3.20**	0.00
Vaisala Oyj	1.5%	**3.20**	0.00

Top missing scores

Name	% AUM	Temp. Score Weight
Albioma SA	1.7%	**10.89%**
Cie Plastic Omnium SA	2.1%	**4.84%**
ID Logistics Group	1.3%	**1.07%**
Svenska Cellulosa AB SCA	1.1%	**0.92%**
Voltalia SA	1.8%	**0.20%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA INVEST BEYOND EUROPEAN BOND OPPORTUNITIES

Main Characteristics and Statistics

	Statistics		Statistics
Asset Classes	Bond	CO2 intensity	92.5
Investment Zone	Eurozone	CO2 footprint weighted	155.5
AUM	36.8	CO2 footprint abs.	5741
% DNCA	0.2%	T°c - Available	2.04
Comp. Nb.	72	T°c - Default	2.12
% AUM coverage	58.7%	T°c - Sector	2.14
% Comp. coverage	51.4%		

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Nexans SA	3.2%	**0.01**	0.16	0.06	0.27
Prysmian SpA	3.3%	**0.01**	0.11	0.04	0.19
Elis SA	2.0%	**0.01**	0.03	0.01	0.09
Stellantis NV	0.6%	**0.01**	0.01	0.00	0.06
ams AG	2.2%	**0.01**	0.00	0.00	0.05

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Enel SpA	1.4%	**-0.01**	0.25	-0.09	0.18
Faurecia SE	1.4%	**-0.01**	0.02	-0.01	0.03
Telecom Italia SpA/Milano	4.6%	**-0.01**	0.01	0.00	0.03
Vodafone Group PLC	0.8%	**-0.01**	-0.03	0.01	0.00
Indra Sistemas SA	2.0%	**-0.01**	-0.03	0.01	0.00

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Enel SpA	1.4%	**1.50**	0.18
Faurecia SE	1.4%	**1.50**	0.03
Telecom Italia SpA/Milano	4.6%	**1.50**	0.03
Vodafone Group PLC	0.8%	**1.50**	0.00
Indra Sistemas SA	2.0%	**1.50**	0.00

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Nexans SA	3.2%	**3.20**	0.27
Prysmian SpA	3.3%	**3.20**	0.19
Elis SA	2.0%	**3.20**	0.09
Stellantis NV	0.6%	**3.20**	0.06
ams AG	2.2%	**3.20**	0.05

Top missing scores

Name	% AUM	Temp. Score Weight
Wienerberger AG	0.6%	**3.83%**
Iliad SA	0.6%	**1.62%**
Ubisoft Entertainment SA	2.9%	**0.38%**
Solocal Group	1.5%	**0.34%**
CGG SA	1.0%	**0.27%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA BEYOND ENGAGE

Main Characteristics and Statistics

	Statistics			Statistics
Asset Classes	Equity		CO2 intensity	-
Investment Zone	Europe		CO2 footprint weighted	-
AUM	74.8		CO2 footprint abs.	-
% DNCA	0.4%		T°c - Available	2.16
Comp. Nb.	44		T°c - Default	2.24
% AUM coverage	89.2%		T°c - Sector	2.27
% Comp. coverage	90.9%			

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Orange SA	3.0%	**0.03**	-0.03	-0.02	0.02
IPSOS	2.8%	**0.03**	-0.04	-0.02	0.01
Allianz SE	2.6%	**0.03**	-0.05	-0.02	0.00
LVMH Moet Hennessy Louis Vuitton SE	3.3%	**0.03**	-0.05	-0.02	0.00
BNP Paribas SA	4.5%	**0.03**	-0.05	-0.03	0.00

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Enel SpA	1.3%	**-0.01**	0.16	-0.04	0.15
Iberdrola SA	3.9%	**-0.01**	0.13	-0.04	0.13
Infineon Technologies AG	3.5%	**-0.01**	-0.01	0.00	0.02
Sanofi	3.9%	**-0.01**	-0.04	0.01	0.01
Unilever PLC	2.8%	**-0.01**	-0.04	0.01	0.00

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Enel SpA	1.3%	**1.50**	0.15
Iberdrola SA	3.9%	**1.50**	0.13
Infineon Technologies AG	3.5%	**1.50**	0.02
Sanofi	3.9%	**1.50**	0.01
Unilever PLC	2.8%	**1.50**	0.00

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Orange SA	3.0%	**3.20**	0.02
IPSOS	2.8%	**3.20**	0.01
Allianz SE	2.6%	**3.20**	0.00
LVMH Moet Hennessy Louis Vuitton SE	3.3%	**3.20**	0.00
BNP Paribas SA	4.5%	**3.20**	0.00

Top missing scores

Name	% AUM	Temp. Score Weight
Eutelsat Communications SA	2.4%	**5.29%**
Fresenius SE & Co KGaA	3.3%	**1.23%**
Roche Holding AG	4.5%	**0.38%**
Dassault Systemes SE	0.7%	**0.04%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA INVEST BEYOND GLOBAL LEADERS

Main Characteristics and Statistics

	Statistics		Statistics
Asset Classes	Equity	CO2 intensity	76.8
Investment Zone	Global	CO2 footprint weighted	13.6
AUM	463.0	CO2 footprint abs.	6317
% DNCA	2.3%	T°c - Available	3.09
Comp. Nb.	43	T°c - Default	3.14
% AUM coverage	35.5%	T°c - Sector	3.46
% Comp. coverage	37.2%		

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
SUMCO Corp	2.6%	**0.03**	0.72	0.41	1.21
Sika AG	1.5%	**0.02**	0.61	0.23	0.91
Nittoku Co Ltd	2.0%	**0.02**	0.14	0.05	0.26
Samsung SDI Co Ltd	3.4%	**0.02**	0.02	0.01	0.10
CSL Ltd	2.4%	**0.02**	-0.03	-0.01	0.04

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Infineon Technologies AG	1.8%	**-0.02**	0.10	-0.04	0.10
Unilever PLC	2.4%	**-0.02**	-0.01	0.00	0.03
AstraZeneca PLC	1.8%	**-0.02**	-0.04	0.01	0.01
Novo Nordisk A/S	2.5%	**-0.02**	-0.05	0.02	0.01
ASML Holding NV	1.8%	**-0.02**	-0.05	0.02	0.01

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Infineon Technologies AG	1.8%	**1.50**	0.10
Unilever PLC	2.4%	**1.50**	0.03
AstraZeneca PLC	1.8%	**1.50**	0.01
Novo Nordisk A/S	2.5%	**1.50**	0.01
ASML Holding NV	1.8%	**1.50**	0.01

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
SUMCO Corp	2.6%	**3.62**	1.21
Sika AG	1.5%	**3.20**	0.91
Nittoku Co Ltd	2.0%	**3.20**	0.26
Samsung SDI Co Ltd	3.4%	**3.20**	0.10
CSL Ltd	2.4%	**3.20**	0.04

Top missing scores

Name	% AUM	Temp. Score Weight
Tower Semiconductor Ltd	2.4%	**35.40%**
Bharti Airtel Ltd	2.5%	**2.28%**
Alexion Pharmaceuticals Inc	2.6%	**1.88%**
VAT Group AG	2.2%	**1.87%**
Housing Development Finance Corp Ltd	2.8%	**1.01%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA INVEST BEYOND INFRASTRUCTURES & TRANSITIONS

Main Characteristics and Statistics

	Statistics		Statistics
Asset Classes	Equity	CO2 intensity	331.2
Investment Zone	Europe	CO2 footprint weighted	295.1
AUM	76.0	CO2 footprint abs.	23100
% DNCA	0.4%	T°c - Available	1.90
Comp. Nb.	46	T°c - Default	2.10
% AUM coverage	69.8%	T°c - Sector	2.08
% Comp. coverage	63.0%		

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Sika AG	2.1%	**0.03**	0.00	0.00	0.08
Hamburger Hafen und Logistik AG	1.6%	**0.03**	-0.03	-0.01	0.03
Orange SA	2.0%	**0.03**	-0.04	-0.02	0.01
Euskaltel SA	1.9%	**0.03**	-0.04	-0.02	0.00
Getlink SE	2.3%	**0.03**	-0.04	-0.02	0.00

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Enel SpA	4.1%	**-0.01**	0.26	-0.07	0.22
EDP - Energias de Portugal SA	3.1%	**-0.01**	0.15	-0.04	0.15
Iberdrola SA	2.1%	**-0.01**	0.00	0.00	0.03
Orsted AS	2.7%	**-0.01**	-0.03	0.01	0.01
Deutsche Telekom AG	3.9%	**-0.01**	-0.04	0.01	0.00

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Enel SpA	4.1%	**1.50**	0.22
EDP - Energias de Portugal SA	3.1%	**1.50**	0.15
Iberdrola SA	2.1%	**1.50**	0.03
Orsted AS	2.7%	**1.50**	0.01
Deutsche Telekom AG	3.9%	**1.50**	0.00

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Sika AG	2.1%	**3.20**	0.08
Hamburger Hafen und Logistik AG	1.6%	**3.20**	0.03
Orange SA	2.0%	**3.20**	0.01
Euskaltel SA	1.9%	**3.20**	0.00
Getlink SE	2.3%	**3.20**	0.00

Top missing scores

Name	% AUM	Temp. Score Weight
Albioma SA	1.8%	**11.07%**
Bilfinger SE	2.5%	**1.96%**
Aeroporto Guglielmo Marconi Di Bologna SpA	1.7%	**0.58%**
RAI Way SpA	2.7%	**0.56%**
Korian SA	2.5%	**0.29%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA INVEST BEYOND SEMPEROSA

Main Characteristics and Statistics

	Statistics		Statistics
Asset Classes	Equity	CO2 intensity	205.7
Investment Zone	Eurozone	CO2 footprint weighted	75.90
AUM	196.1	CO2 footprint abs.	15407
% DNCA	1.0%	T°c - Available	2.15
Comp. Nb.	37	T°c - Default	2.52
% AUM coverage	72.2%	T°c - Sector	2.51
% Comp. coverage	67.6%		

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Mayr Melnhof Karton AG	1.7%	**0.03**	0.16	0.07	0.32
Geberit AG	3.1%	**0.03**	-0.04	-0.02	0.03
Bureau Veritas SA	3.3%	**0.03**	-0.04	-0.02	0.03
BioMerieux	2.1%	**0.03**	-0.05	-0.02	0.01
Getlink SE	2.9%	**0.03**	-0.05	-0.02	0.01

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Iberdrola SA	5.4%	**-0.02**	0.31	-0.10	0.25
STMicroelectronics NV	3.6%	**-0.02**	0.04	-0.01	0.07
Unilever PLC	3.3%	**-0.02**	-0.05	0.02	0.01
Schneider Electric SE	2.4%	**-0.02**	-0.05	0.02	0.01
Givaudan SA	2.6%	**-0.02**	-0.05	0.02	0.00

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Iberdrola SA	5.4%	**1.50**	0.25
STMicroelectronics NV	3.6%	**1.50**	0.07
Unilever PLC	3.3%	**1.50**	0.01
Schneider Electric SE	2.4%	**1.50**	0.01
Givaudan SA	2.6%	**1.50**	0.00

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Mayr Melnhof Karton AG	1.7%	**3.20**	0.32
Geberit AG	3.1%	**3.20**	0.03
Bureau Veritas SA	3.3%	**3.20**	0.03
BioMerieux	2.1%	**3.20**	0.01
Getlink SE	2.9%	**3.20**	0.01

Top missing scores

Name	% AUM	Temp. Score Weight
Albioma SA	1.2%	**17.01%**
Cie Plastic Omnium SA	2.6%	**13.00%**
Huhtamaki Oyj	1.4%	**3.07%**
Amplifon SpA	2.3%	**0.86%**
Roche Holding AG	5.5%	**0.47%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

CENTIFOLIA

Main Characteristics and Statistics

	Statistics			Statistics
Asset Classes	Equity		CO2 intensity	90.9
Investment Zone	France		CO2 footprint weighted	150.69
AUM	914.5		CO2 footprint abs.	145229
% DNCA	4.5%		T°c - Available	2.32
Comp. Nb.	38		T°c - Default	2.44
% AUM coverage	81.6%		T°c - Sector	2.47
% Comp. coverage	63.2%			

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
ArcelorMittal SA	0.2%	0.03	0.35	0.15	0.59
Orange SA	6.6%	0.03	-0.04	-0.02	0.03
IPSOS	1.5%	0.03	-0.06	-0.02	0.00
Societe Generale SA	3.7%	0.03	-0.06	-0.02	0.00
BNP Paribas SA	3.1%	0.03	-0.06	-0.03	0.00

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
STMicroelectronics NV	4.8%	-0.02	0.00	0.00	0.04
Sanofi	8.4%	-0.02	-0.04	0.01	0.01
Sopra Steria Group SACA	4.2%	-0.02	-0.06	0.02	0.00
Vinci SA	2.1%	-0.02	-0.04	0.01	0.01
Thales SA	4.7%	-0.02	-0.05	0.01	0.01

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
STMicroelectronics NV	4.8%	1.50	0.04
Sanofi	8.4%	1.50	0.01
Sopra Steria Group SACA	4.2%	1.50	0.00
Vinci SA	2.1%	1.67	0.01
Thales SA	4.7%	1.67	0.01

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
ArcelorMittal SA	0.2%	3.20	0.59
Orange SA	6.6%	3.20	0.03
IPSOS	1.5%	3.20	0.00
Societe Generale SA	3.7%	3.20	0.00
BNP Paribas SA	3.1%	3.20	0.00

Top missing scores

Name	% AUM	Temp. Score Weight
Societe LDC SA	2.6%	9.61%
Eutelsat Communications SA	1.2%	1.69%
Dassault Aviation SA	2.7%	1.62%
Television Francaise 1	2.8%	0.56%
Cegedim SA	1.0%	0.21%

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA CONVERTIBLES EURO

Main Characteristics and Statistics

	Statistics			Statistics
Asset Classes	-		CO2 intensity	-
Investment Zone	-		CO2 footprint weighted	-
AUM	395.0		CO2 footprint abs.	-
% DNCA	1.9%		T°c - Available	1.96
Comp. Nb.	49		T°c - Default	1.99
% AUM coverage	63.8%		T°c - Sector	2.00
% Comp. coverage	57.1%			

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Prysmian SpA	1.2%	**0.02**	0.00	0.00	0.06
Deutsche Wohnen SE	6.0%	**0.02**	-0.01	-0.01	0.04
Elis SA	1.0%	**0.02**	-0.01	-0.01	0.04
Orpea SA	2.6%	**0.02**	-0.03	-0.02	0.01
MTU Aero Engines AG	2.3%	**0.02**	-0.04	-0.02	0.01

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
STMicroelectronics NV	0.8%	**-0.01**	-0.03	0.01	0.01
Telecom Italia SpA/Milano	2.0%	**-0.01**	-0.03	0.01	0.01
Schneider Electric SE	1.0%	**-0.01**	-0.04	0.01	0.00
Amadeus IT Group SA	3.9%	**-0.01**	-0.04	0.01	0.00
Zalando SE	4.3%	**-0.01**	-0.04	0.01	0.00

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
STMicroelectronics NV	0.8%	**1.50**	0.01
Telecom Italia SpA/Milano	2.0%	**1.50**	0.01
Schneider Electric SE	1.0%	**1.50**	0.00
Amadeus IT Group SA	3.9%	**1.50**	0.00
Zalando SE	4.3%	**1.50**	0.00

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Prysmian SpA	1.2%	**3.20**	0.06
Deutsche Wohnen SE	6.0%	**3.20**	0.04
Elis SA	1.0%	**3.20**	0.04
Orpea SA	2.6%	**3.20**	0.01
MTU Aero Engines AG	2.3%	**3.20**	0.01

Top missing scores

Name	% AUM	Temp. Score Weight
Umicore SA	0.5%	**0.57%**
Ubisoft Entertainment SA	2.8%	**0.36%**
Korian SA	0.8%	**0.24%**
Fresenius SE & Co KGaA	0.5%	**0.21%**
Delivery Hero SE	6.6%	**0.19%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

ECUREUIL PROFIL 90

Main Characteristics and Statistics

	Statistics			Statistics
Asset Classes	-	CO2 intensity		-
Investment Zone	-	CO2 footprint weighted		-
AUM	590.3	CO2 footprint abs.		-
% DNCA	2.9%	T°c - Available		1.91
Comp. Nb.	37	T°c - Default		1.94
% AUM coverage	77.6%	T°c - Sector		1.95
% Comp. coverage	75.7%			

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Bureau Veritas SA	1.5%	**0.03**	-0.05	-0.03	0.01
Allianz SE	4.4%	**0.03**	-0.05	-0.03	0.01
LVMH Moet Hennessy Louis Vuitton SE	3.0%	**0.03**	-0.05	-0.03	0.00
Wolters Kluwer NV	2.1%	**0.03**	-0.05	-0.03	0.00
Deutsche Post AG	1.5%	**0.02**	0.01	0.00	0.09

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Enel SpA	4.0%	**-0.01**	0.64	-0.15	0.54
Iberdrola SA	2.4%	**-0.01**	0.07	-0.02	0.09
STMicroelectronics NV	3.2%	**-0.01**	0.01	0.00	0.05
Sanofi	5.2%	**-0.01**	-0.04	0.01	0.01
Siemens AG	3.3%	**-0.01**	-0.04	0.01	0.01

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Enel SpA	4.0%	**1.50**	0.54
Iberdrola SA	2.4%	**1.50**	0.09
STMicroelectronics NV	3.2%	**1.50**	0.05
Sanofi	5.2%	**1.50**	0.01
Siemens AG	3.3%	**1.50**	0.01

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Bureau Veritas SA	1.5%	**3.20**	0.01
Allianz SE	4.4%	**3.20**	0.01
LVMH Moet Hennessy Louis Vuitton SE	3.0%	**3.20**	0.00
Wolters Kluwer NV	2.1%	**3.20**	0.00
Deutsche Post AG	1.5%	**2.64**	0.09

Top missing scores

Name	% AUM	Temp. Score Weight
EssilorLuxottica SA	4.2%	**1.40%**
Teleperformance	2.8%	**0.60%**
Infrastrutture Wireless Italiane SpA	3.3%	**0.16%**
Dassault Systemes SE	1.2%	**0.08%**
Adyen NV	2.2%	**0.02%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

ECUREUIL INVESTISSEMENTS

Main Characteristics and Statistics

	Statistics		Statistics
Asset Classes	Equity	CO2 intensity	130.4
Investment Zone	Europe	CO2 footprint weighted	67.8
AUM	1647.5	CO2 footprint abs.	111592
% DNCA	8.1%	T°c - Available	2.07
Comp. Nb.	31	T°c - Default	2.09
% AUM coverage	85.9%	T°c - Sector	2.11
% Comp. coverage	77.4%		

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Bureau Veritas SA	2.5%	**0.04**	-0.06	-0.03	0.02
Orpea SA	2.7%	**0.04**	-0.06	-0.03	0.02
LVMH Moet Hennessy Louis Vuitton SE	8.3%	**0.04**	-0.06	-0.04	0.00
Allianz SE	3.8%	**0.04**	-0.06	-0.04	0.00
Eurofins Scientific SE	1.2%	**0.04**	-0.06	-0.04	0.00

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Enel SpA	2.8%	**-0.02**	0.40	-0.11	0.35
STMicroelectronics NV	2.9%	**-0.02**	-0.01	0.00	0.04
Sanofi	7.2%	**-0.02**	-0.05	0.01	0.01
Alstom SA	2.7%	**-0.02**	-0.05	0.01	0.01
Capgemini SE	4.3%	**-0.02**	-0.06	0.01	0.01

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Enel SpA	2.8%	**1.50**	0.35
STMicroelectronics NV	2.9%	**1.50**	0.04
Sanofi	7.2%	**1.50**	0.01
Alstom SA	2.7%	**1.50**	0.01
Capgemini SE	4.3%	**1.50**	0.01

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Bureau Veritas SA	2.5%	**3.20**	0.02
Orpea SA	2.7%	**3.20**	0.02
LVMH Moet Hennessy Louis Vuitton SE	8.3%	**3.20**	0.00
Allianz SE	3.8%	**3.20**	0.00
Eurofins Scientific SE	1.2%	**3.20**	0.00

Top missing scores

Name	% AUM	Temp. Score Weight
EssilorLuxottica SA	3.3%	**1.00%**
Teleperformance	2.7%	**0.53%**
Dassault Aviation SA	0.4%	**0.49%**
Dassault Systemes SE	2.2%	**0.13%**
Infrastrutture Wireless Italiane SpA	2.0%	**0.09%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

FRUCTI ACTIONS FRANCE

Main Characteristics and Statistics

	Statistics		Statistics
Asset Classes	Equity	CO2 intensity	88
Investment Zone	France	CO2 footprint weighted	50.8
AUM	636.6	CO2 footprint abs.	32302
% DNCA	3.1%	T°c - Available	2.27
Comp. Nb.	39	T°c - Default	2.49
% AUM coverage	79.0%	T°c - Sector	2.56
% Comp. coverage	66.7%		

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
SOITEC	3.0%	**0.03**	-0.04	-0.02	0.02
Bureau Veritas SA	2.3%	**0.03**	-0.04	-0.02	0.02
Orpea SA	2.3%	**0.03**	-0.04	-0.02	0.02
LVMH Moet Hennessy Louis Vuitton SE	8.4%	**0.03**	-0.05	-0.02	0.01
Eurofins Scientific SE	1.1%	**0.03**	-0.05	-0.02	0.01

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
STMicroelectronics NV	1.9%	**-0.02**	0.00	0.00	0.04
Sanofi	6.6%	**-0.02**	-0.03	0.01	0.02
Alstom SA	2.2%	**-0.02**	-0.04	0.01	0.01
Schneider Electric SE	3.0%	**-0.02**	-0.04	0.01	0.01
Capgemini SE	3.7%	**-0.02**	-0.04	0.01	0.01

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
STMicroelectronics NV	1.9%	**1.50**	0.04
Sanofi	6.6%	**1.50**	0.02
Alstom SA	2.2%	**1.50**	0.01
Schneider Electric SE	3.0%	**1.50**	0.01
Capgemini SE	3.7%	**1.50**	0.01

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
SOITEC	3.0%	**3.20**	0.02
Bureau Veritas SA	2.3%	**3.20**	0.02
Orpea SA	2.3%	**3.20**	0.02
LVMH Moet Hennessy Louis Vuitton SE	8.4%	**3.20**	0.01
Eurofins Scientific SE	1.1%	**3.20**	0.01

Top missing scores

Name	% AUM	Temp. Score Weight
Cie Plastic Omnium SA	3.1%	**19.50%**
SPIE SA	2.1%	**1.30%**
EssilorLuxottica SA	3.3%	**1.12%**
Teleperformance	2.6%	**0.56%**
Solutions 30 SE	0.6%	**0.52%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA INVEST SRI EUROPE GROWTH

Main Characteristics and Statistics

	Statistics			Statistics
Asset Classes	Equity		CO2 intensity	80.59
Investment Zone	Europe		CO2 footprint weighted	18.2
AUM	1556.3		CO2 footprint abs.	28362
% DNCA	7.7%		T°c - Available	2.28
Comp. Nb.	32		T°c - Default	2.52
% AUM coverage	60.0%		T°c - Sector	2.67
% Comp. coverage	56.2%			

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Sika AG	4.6%	0.02	0.57	0.17	0.84
Orpea SA	4.8%	0.02	-0.03	-0.01	0.06
Merck KGaA	3.2%	0.02	-0.04	-0.01	0.04
BioMerieux	4.2%	0.02	-0.06	-0.02	0.03
IMCD NV	4.3%	0.02	-0.07	-0.02	0.01

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
AstraZeneca PLC	4.5%	-0.03	-0.06	0.02	0.01
Reckitt Benckiser Group PLC	2.0%	-0.03	-0.07	0.03	0.01
Novo Nordisk A/S	5.0%	-0.03	-0.07	0.03	0.00
SAP SE	1.2%	-0.03	-0.07	0.03	0.00
DSV PANALPINA A/S	4.8%	-0.02	1.20	-0.34	0.91

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
AstraZeneca PLC	4.5%	1.50	0.01
Reckitt Benckiser Group PLC	2.0%	1.50	0.01
Novo Nordisk A/S	5.0%	1.50	0.00
SAP SE	1.2%	1.50	0.00
DSV PANALPINA A/S	4.8%	1.75	0.91

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Sika AG	4.6%	3.20	0.84
Orpea SA	4.8%	3.20	0.06
Merck KGaA	3.2%	3.20	0.04
BioMerieux	4.2%	3.20	0.03
IMCD NV	4.3%	3.20	0.01

Top missing scores

Name	% AUM	Temp. Score Weight
ID Logistics Group	2.1%	6.97%
Amplifon SpA	8.1%	6.06%
Oeneo SA	0.8%	5.99%
Safestore Holdings PLC	2.6%	2.76%
Teleperformance	5.9%	1.98%

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA INVEST VALUE EUROPE

Main Characteristics and Statistics

	Statistics			Statistics
Asset Classes	Equity		CO2 intensity	149.3
Investment Zone	Europe		CO2 footprint weighted	196.6
AUM	648.6		CO2 footprint abs.	127256
% DNCA	3.2%		T°c - Available	2.50
Comp. Nb.	47		T°c - Default	2.55
% AUM coverage	85.5%		T°c - Sector	2.59
% Comp. coverage	83.0%			

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
CRH PLC	2.3%	**0.03**	0.33	0.21	0.62
SBM Offshore NV	1.8%	**0.02**	0.14	0.05	0.27
Nexans SA	2.9%	**0.02**	0.02	0.01	0.09
ISS A/S	2.4%	**0.02**	-0.04	-0.02	0.01
FLSmidth & Co A/S	2.8%	**0.02**	-0.04	-0.02	0.01

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
LANXESS AG	2.8%	**-0.02**	0.14	-0.05	0.12
Enel SpA	2.1%	**-0.02**	0.11	-0.04	0.10
Koninklijke Ahold Delhaize NV	0.8%	**-0.02**	-0.04	0.01	0.01
Alstom SA	2.5%	**-0.02**	-0.04	0.02	0.00
Deutsche Telekom AG	2.6%	**-0.02**	-0.05	0.02	0.00

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
LANXESS AG	2.8%	**1.50**	0.12
Enel SpA	2.1%	**1.50**	0.10
Koninklijke Ahold Delhaize NV	0.8%	**1.50**	0.01
Alstom SA	2.5%	**1.50**	0.00
Deutsche Telekom AG	2.6%	**1.50**	0.00

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
CRH PLC	2.3%	**3.79**	0.62
SBM Offshore NV	1.8%	**3.20**	0.27
Nexans SA	2.9%	**3.20**	0.09
ISS A/S	2.4%	**3.20**	0.01
FLSmidth & Co A/S	2.8%	**3.20**	0.01

Top missing scores

| Name	% AUM	Temp. Score Weight
Babcock International Group PLC	1.5%	**1.89%**
Eutelsat Communications SA	1.8%	**1.72%**
Fresnillo PLC	1.9%	**1.37%**
Dassault Aviation SA	1.8%	**0.73%**
Fresenius SE & Co KGaA	2.3%	**0.36%**

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

TOOLS FOR STEWARDSHIP

Figure 5 presents box plot for temperature scores in DNCA Finance perimeter for the three chosen filling options. As expected, because of high missing rate per issuer, distribution of scores with the default filling option is strongly centered around 3.2°c the default score. The minimum score is 1.5°c and the maximum is 4.1°c.

Facing this wide range of individual temperature scores, to build an efficient stewardship strategy, we are interested in identifying the main contributors to DNCA Finance temperature score. To do that we introduce contribution and attribution analyses. Results of these analyses are presented in this section.

Figure 5 Distribution of temperature scores (°c) in DNCA Finance perimeter for the three chosen filling options

■ No Filing ■ Default ■ Penalized Average
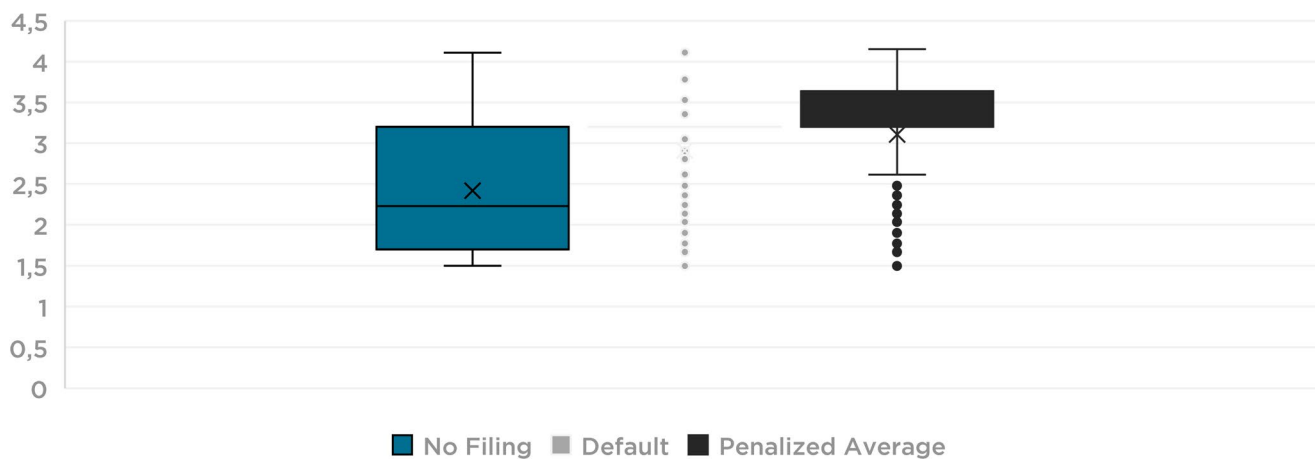
DNCA Finance temperature contribution analysis

Table 75 presents top 20 contributors to DNCA Finance temperature scores per filling options (sorted per weight AUM). Top contributors are large positions in DNCA Finance portfolios and/or have high °c scores. Top contributors have activities in GHG emitting industries. This is expected since EOTS introduces emissions in the calculation of weights used to aggregate scores at portfolio level.

Following the logic of stewardship, to decrease its portfolio °c score, DNCA Finance shall engage with top contributors that have large °c scores to induce changes in targets and ultimately decrease contributions and °c scores. In addition, excepted CRH Plc, largest score is 3.2°c and we verified that all top contributors with that score are given a default score. In CDP scoring methodology, default scores are given to companies which reported incomplete targets information to CDP. These companies are also natural candidates to stewardship.

DNCA Finance temperature attribution analysis

Table 76 presents attribution analysis for top 20 contributors to DNCA Finance temperature scores per filling options (sorted per weight). In the table we highlight the weight effect and weight X temperature interaction effect for the three filling options.

Attribution analysis is the most convenient tool to identify issuers that contribute negatively to perimeter's temperature score. Following the logic of stewardship, to decrease its portfolio °c score, DNCA Finance should engage with top contributors that have large positive interaction effects.

Table 75 Top contributors to DNCA Finance temperature score for selected filling options

Name	Weight AUM	Weight	Weight rebased	Score Avl. (°c)	Contrib. Avl.	Score Dflt. (°c)	Contrib. Dflt.	Score Cmplt. (°c)	Contrib. Cmplt.
ArcelorMittal SA	0,3%	23,2%	27,4%	3,20	35,3%	3,20	28,6%	3,20	28,1%
TOTAL SE	2,6%	8,4%	10,0%	2,31	9,3%	2,31	7,5%	2,31	7,4%
Enel SpA	1,1%	5,2%	6,1%	1,50	3,7%	1,50	3,0%	1,50	2,9%
CAF	0,0%	4,8%				3,20	5,9%	3,42	6,2%
thyssenkrupp AG	0,2%	4,0%	4,8%	1,75	3,4%	1,75	2,7%	1,75	2,7%
IAG	0,2%	3,4%	4,0%	2,14	3,5%	2,14	2,8%	2,14	2,8%
Veolia Environnement SA	0,3%	3,2%	3,7%	2,00	3,0%	2,00	2,4%	2,00	2,4%
Air Liquide SA	0,8%	3,0%	3,5%	2,52	3,6%	2,52	2,9%	2,52	2,8%
CRH PLC	0,3%	2,8%	3,3%	3,79	5,1%	3,79	4,1%	3,79	4,1%
Cie de Saint-Gobain	0,7%	2,6%	3,1%	1,75	2,2%	1,75	1,7%	1,75	1,7%
Michelin	1,6%	2,0%	2,3%	2,00	1,9%	2,00	1,5%	2,00	1,5%
DSV PANALPINA A/S	0,6%	1,7%	2,0%	1,75	1,4%	1,75	1,1%	1,75	1,1%
Bouygues SA	1,3%	1,7%	2,0%	2,62	2,1%	2,62	1,7%	2,62	1,7%
Electricite de France SA	0,4%	1,4%	1,7%	1,75	1,2%	1,75	1,0%	1,75	0,9%
Deutsche Lufthansa AG	0,0%	1,3%	1,5%	1,59	1,0%	1,59	0,8%	1,59	0,8%
SBM Offshore NV	0,2%	1,2%	1,5%	3,20	1,9%	3,20	1,5%	3,20	1,5%
Air France-KLM	0,0%	1,1%	1,3%	2,09	1,1%	2,09	0,9%	2,09	0,9%
Sika AG	0,7%	1,1%	1,3%	3,20	1,7%	3,20	1,3%	3,20	1,3%
STMicroelectronics NV	1,9%	1,0%	1,2%	1,50	0,8%	1,50	0,6%	1,50	0,6%
AP Moller - Maersk A/S	0,1%	1,0%	1,2%	2,91	1,4%	2,91	1,2%	2,91	1,1%

Table 76 Attribution analysis for top contributors to DNCA Finance temperature score for selected filling options

Name	Weight	Weight rebased	Score Avl. (°c)	Weight effect	°c X weight	Score Dflt. (°c)	Weight effect	°c X weight	Score Cmplt. (°c)	Weight effect	°c X weight
ArcelorMittal SA	23,2%	27,4%	3,20	0,66	0,21	3,20	0,67	0,07	3,20	0,72	0,02
TOTAL SE	8,4%	10,0%	2,31	0,24	-0,01	2,31	0,24	-0,05	2,31	0,26	-0,07
Enel SpA	5,2%	6,1%	1,50	0,14	-0,05	1,50	0,15	-0,07	1,50	0,16	-0,08
CAF	4,8%					3,20	0,14	0,01	3,42	0,15	0,01
thyssenkrupp AG	4,0%	4,8%	1,75	0,11	-0,03	1,75	0,11	-0,05	1,75	0,12	-0,05
IAG	3,4%	4,0%	2,14	0,09	-0,01	2,14	0,10	-0,03	2,14	0,10	-0,03
Veolia SA	3,2%	3,7%	2,00	0,09	-0,02	2,00	0,09	-0,03	2,00	0,10	-0,03
Air Liquide SA	3,0%	3,5%	2,52	0,08	0,00	2,52	0,08	-0,01	2,52	0,09	-0,02
CRH PLC	2,8%	3,3%	3,79	0,08	0,04	3,79	0,08	0,02	3,79	0,08	0,02
Cie de Saint-Gobain	2,6%	3,1%	1,75	0,07	-0,02	1,75	0,07	-0,03	1,75	0,08	-0,03
Michelin	2,0%	2,3%	2,00	0,05	-0,01	2,00	0,05	-0,02	2,00	0,06	-0,02
DSV PANALPINA A/S	1,7%	2,0%	1,75	0,05	-0,01	1,75	0,05	-0,02	1,75	0,05	-0,02
Bouygues SA	1,7%	2,0%	2,62	0,05	0,00	2,62	0,05	0,00	2,62	0,05	-0,01
Electricite de France SA	1,4%	1,7%	1,75	0,04	-0,01	1,75	0,04	-0,02	1,75	0,04	-0,02
Deutsche Lufthansa AG	1,3%	1,5%	1,59	0,03	-0,01	1,59	0,03	-0,02	1,59	0,04	-0,02
SBM Offshore NV	1,2%	1,5%	3,20	0,03	0,01	3,20	0,03	0,00	3,20	0,04	0,00
Air France-KLM	1,1%	1,3%	2,09	0,03	0,00	2,09	0,03	-0,01	2,09	0,03	-0,01
Sika AG	1,1%	1,3%	3,20	0,03	0,01	3,20	0,03	0,00	3,20	0,03	0,00
STMicroelectronics NV	1,0%	1,2%	1,50	0,03	-0,01	1,50	0,03	-0,01	1,50	0,03	-0,02
AP Moller - Maersk A/S	1,0%	1,2%	2,91	0,03	0,01	2,91	0,03	0,00	2,91	0,03	0,00

Table 77 presents the top 5 positive and negative interaction effects in DNCA Finance perimeter (sorted per interaction effect with available score). Top positive interaction effects are natural candidate to stewardship and / or divestment.

Table 77 Main negative and positive interaction effects

Name	Weight	Weight rebased	Score Avl. (°c)	Weight effect	°c X weight	Score Dflt. (°c)	Weight effect	°c X weight	Score Cmplt. (°c)	Weight effect	°c X weight
ArcelorMittal SA	23,2%	27,4%	3,20	0,66	0,21	3,20	0,67	0,07	3,20	0,72	0,02
CRH PLC	2,8%	3,3%	3,79	0,08	0,04	3,79	0,08	0,02	3,79	0,08	0,02
SBM Offshore NV	1,2%	1,5%	3,20	0,03	0,01	3,20	0,03	0,00	3,20	0,04	0,00
Sika AG	1,1%	1,3%	3,20	0,03	0,01	3,20	0,03	0,00	3,20	0,03	0,00
Nexans SA	0,8%	0,9%	3,20	0,02	0,01	3,20	0,02	0,00	3,20	0,02	0,00
DSV PANALPINA A/S	1,7%	2,0%	1,75	0,05	-0,01	1,75	0,05	-0,02	1,75	0,05	-0,02
Veolia	3,2%	3,7%	2,00	0,09	-0,02	2,00	0,09	-0,03	2,00	0,10	-0,03
Cie de Saint-Gobain	2,6%	3,1%	1,75	0,07	-0,02	1,75	0,07	-0,03	1,75	0,08	-0,03
thyssenkrupp AG	4,0%	4,8%	1,75	0,11	-0,03	1,75	0,11	-0,05	1,75	0,12	-0,05
Enel SpA	5,2%	6,1%	1,50	0,14	-0,05	1,50	0,15	-0,07	1,50	0,16	-0,08

We simulate the impact on DNCA Finance temperature score of the selling of these top positive interaction effects. Simulation revealed that a few modifications in the perimeter can lead to significant improvement of the aggregated temperature score. We highlight that this simulation is theoretical and does not incorporate feasibility or financial considerations.

Table 78 Top interaction effect sell off simulation

	Available	Default	Sector
DNCA - current	2,5°c	2,6°c	2,6°c
DNCA - simulation	2,1°c	2,3°c	2,4°c
%	-17%	-11%	-8%

DNCA Finance's temperature dashboard

Portfolio managers and financial analysts will have access to a temperature dashboard. This tool will give them the possibility to analyze their portfolios' temperature and to integrate this dimension in their investment decisions.

Figure 6 Temperature Dashboard screenshot
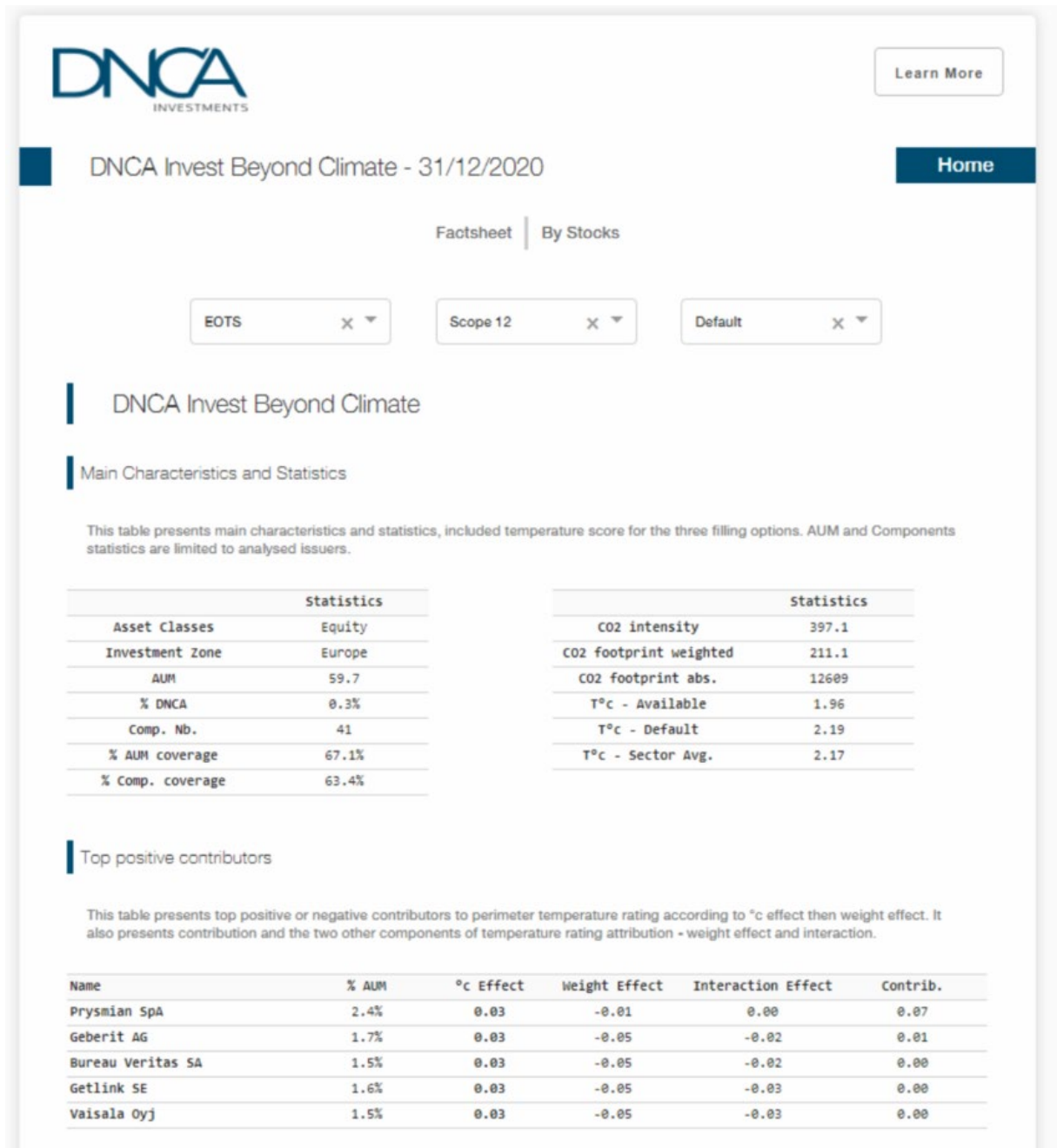
OBJECTIVE FOR DNCA FINANCE

In 2020, DNCA Finance decided to move towards climate risks assessment with a full analysis of its portfolio's temperature. For this very first time, the objective was to draw up a portrait of the initial situation. We are aware of future developments in terms of data and calculation standards (better transparency, new methodologies, improvement of existing methodologies…) and the constant evolution of our regulatory environment. Considering that framework, our ambition is to always increase our knowledge and practices to align our investments according to the European Commission targets. Therefore, we would like to have a multiple approach to address this single objective through the following different target timelines:

Short term targets: 2021-2022

7- Improve our data coverage thanks to the CDP.

8- Improve our analysis to include a perspective by comparing temperature results with Absolute Carbone Emissions, Carbon footprint, Carbon Intensity and the evolution between 2020 and 2021.

9- Engage directly with the TOP 10 companies that represents the worst performers in terms of Temperature rating.

10- Engage directly with the TOP 10 companies without Climate data and engagement, and that represents our biggest exposure in terms of AUM.

11- Support say on climate resolutions.

12- Set up management tools to meet mid-term targets at portfolio level.

Mid-term targets: 2025-2030

4- Decrease the average Temperature Rating of DNCA Finance's portfolios.

5- Decrease the average Carbone Intensity of DNCA Finance's portfolios.

6- Decrease the share of funds that are not aligned with a 2° temperature.

Long-term ambition:

4- 100% of our portfolio's holdings should have a proven validated alignment 2°.

5- 100% of our funds should be aligned with the 2° temperature.

6- Comply with the European commission targets.

APPENDICES

DNCA Actions Euro

Main Characteristics and Statistics

	Statistics		Statistics
Asset Classes	Equity	CO2 intensity	148.4
Investment Zone	Eurozone	CO2 footprint weighted	66.3
AUM	367.7	CO2 footprint abs.	24378
% DNCA	1.8%	T°c - Available	1.91
Comp. Nb.	37	T°c - Default	1.94
% AUM coverage	77.4%	T°c - Sector	1.95
% Comp. coverage	75.7%		

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Bureau Veritas SA	1.5%	**0.03**	-0.05	-0.03	0.01
Allianz SE	4.4%	**0.03**	-0.05	-0.03	0.01
LVMH Moet Hennessy Louis Vuitton SE	3.0%	**0.03**	-0.05	-0.03	0.00
Wolters Kluwer NV	2.1%	**0.03**	-0.05	-0.03	0.00
Deutsche Post AG	1.6%	**0.02**	0.01	0.00	0.09

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Enel SpA	4.0%	**-0.01**	0.65	-0.15	0.54
Iberdrola SA	2.3%	**-0.01**	0.06	-0.01	0.09
STMicroelectronics NV	3.1%	**-0.01**	0.01	0.00	0.05
Sanofi	5.2%	**-0.01**	-0.04	0.01	0.01
Siemens AG	3.3%	**-0.01**	-0.04	0.01	0.01

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Enel SpA	4.0%	**1.50**	0.54
Iberdrola SA	2.3%	**1.50**	0.09
STMicroelectronics NV	3.1%	**1.50**	0.05
Sanofi	5.2%	**1.50**	0.01
Siemens AG	3.3%	**1.50**	0.01

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Bureau Veritas SA	1.5%	**3.20**	0.01
Allianz SE	4.4%	**3.20**	0.01
LVMH Moet Hennessy Louis Vuitton SE	3.0%	**3.20**	0.00
Wolters Kluwer NV	2.1%	**3.20**	0.00
Deutsche Post AG	1.6%	**2.64**	0.09

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA Euro Dividend Grower

Main Characteristics and Statistics

	Statistics		Statistics
Asset Classes	Equity	CO2 intensity	136.8
Investment Zone	Eurozone	CO2 footprint weighted	84.1
AUM	381.9	CO2 footprint abs.	32172
% DNCA	1.9%	T°c - Available	1.93
Comp. Nb.	35	T°c - Default	1.94
% AUM coverage	90.7%	T°c - Sector	1.95
% Comp. coverage	88.6%		

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Bureau Veritas SA	2.4%	**0.04**	-0.05	-0.03	0.01
Allianz SE	5.4%	**0.04**	-0.05	-0.03	0.01
Aedifica SA	1.6%	**0.04**	-0.05	-0.03	0.00
LVMH Moet Hennessy Louis Vuitton SE	4.5%	**0.04**	-0.05	-0.03	0.00
Taiwan Semiconductor Manufacturing Co Ltd	2.6%	**0.03**	-0.03	-0.02	0.04

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
Enel SpA	5.4%	**-0.01**	0.71	-0.17	0.59
Iberdrola SA	3.2%	**-0.01**	0.07	-0.02	0.10
STMicroelectronics NV	2.3%	**-0.01**	-0.02	0.00	0.03
Siemens AG	4.1%	**-0.01**	-0.04	0.01	0.01
Sanofi	5.1%	**-0.01**	-0.04	0.01	0.01

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Enel SpA	5.4%	**1.50**	0.59
Iberdrola SA	3.2%	**1.50**	0.10
STMicroelectronics NV	2.3%	**1.50**	0.03
Siemens AG	4.1%	**1.50**	0.01
Sanofi	5.1%	**1.50**	0.01

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
Bureau Veritas SA	2.4%	**3.20**	0.01
Allianz SE	5.4%	**3.20**	0.01
Aedifica SA	1.6%	**3.20**	0.00
LVMH Moet Hennessy Louis Vuitton SE	4.5%	**3.20**	0.00
Taiwan Semiconductor Manufacturing Co Ltd	2.6%	**3.05**	0.04

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

DNCA Value Europe

Main Characteristics and Statistics

	Statistics		Statistics
Asset Classes	Equity	CO2 intensity	-
Investment Zone	Europe	CO2 footprint weighted	-
AUM	368.9	CO2 footprint abs.	-
% DNCA	1.8%	T°c - Available	2.48
Comp. Nb.	46	T°c - Default	2.52
% AUM coverage	85.2%	T°c - Sector	2.56
% Comp. coverage	82.6%		

Top positive contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
CRH PLC	2.2%	**0.03**	0.31	0.19	0.58
SBM Offshore NV	1.7%	**0.02**	0.13	0.05	0.25
Nexans SA	3.0%	**0.02**	0.02	0.01	0.09
ISS A/S	2.4%	**0.02**	-0.04	-0.02	0.01
FLSmidth & Co A/S	2.8%	**0.02**	-0.04	-0.02	0.01

Top negative contributors to temperature score

Name	% AUM	°c Effect	Weight Effect	Interaction Effect	Contrib.
LANXESS AG	2.9%	**-0.02**	0.14	-0.05	0.12
Enel SpA	2.2%	**-0.02**	0.11	-0.04	0.10
Koninklijke Ahold Delhaize NV	1.0%	**-0.02**	-0.04	0.01	0.01
Alstom SA	2.4%	**-0.02**	-0.05	0.02	0.00
Deutsche Telekom AG	2.7%	**-0.02**	-0.05	0.02	0.00

Best temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
LANXESS AG	2.9%	**1.50**	0.12
Enel SpA	2.2%	**1.50**	0.10
Koninklijke Ahold Delhaize NV	1.0%	**1.50**	0.01
Alstom SA	2.4%	**1.50**	0.00
Deutsche Telekom AG	2.7%	**1.50**	0.00

Worst temperature score

Name	% AUM	Temp. Score (°c)	Contrib.
CRH PLC	2.2%	**3.79**	0.58
SBM Offshore NV	1.7%	**3.20**	0.25
Nexans SA	3.0%	**3.20**	0.09
ISS A/S	2.4%	**3.20**	0.01
FLSmidth & Co A/S	2.8%	**3.20**	0.01

Source: DNCA Finance. Data as of 31 December 2020 may change over time. These data correspond to the scope analyzed in the temperature trajectory study (positions reduced to equities, corporate bonds and convertibles).

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