



EXCLUSION

POLICY

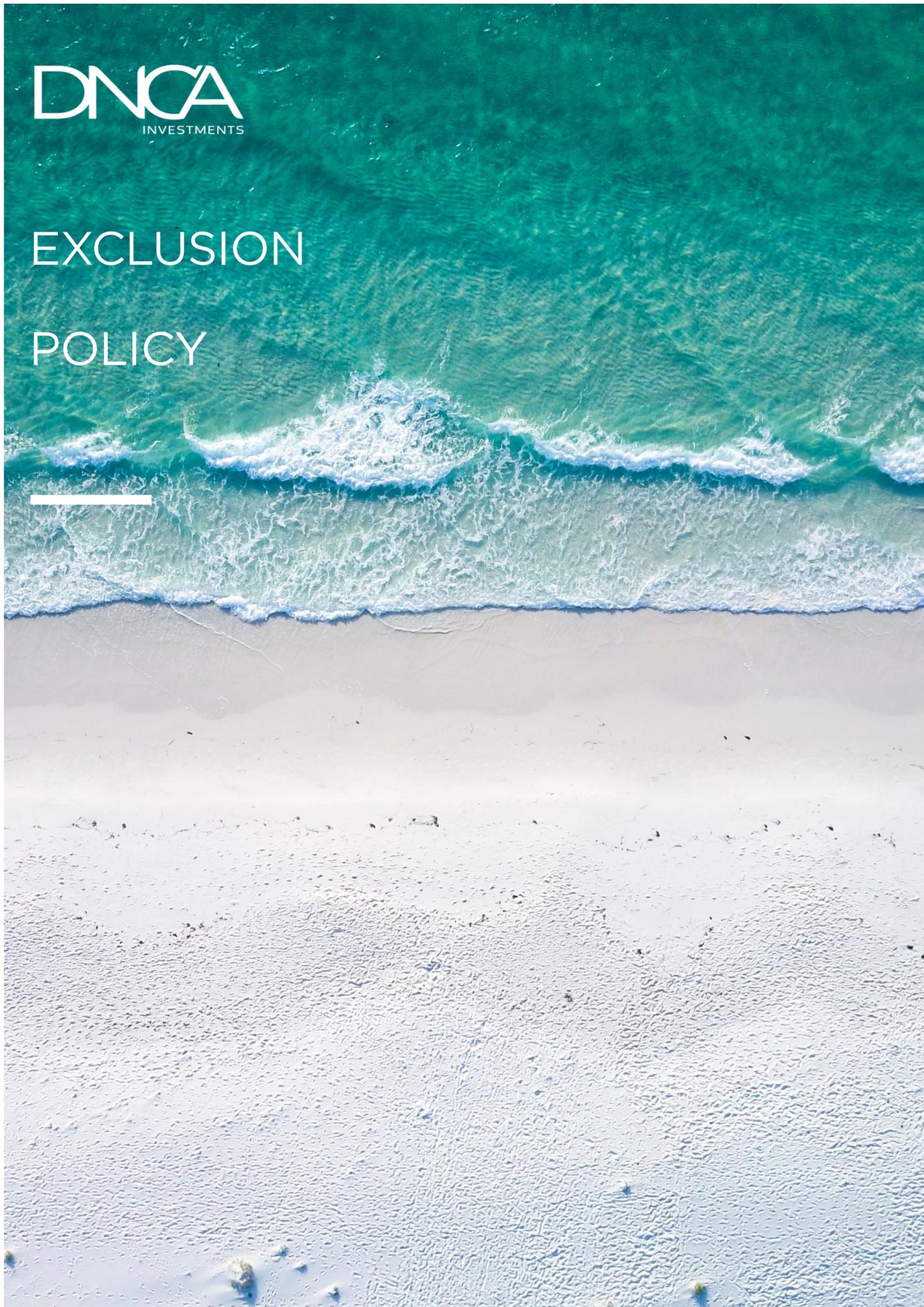


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I. MAPPING OF EXCLUSION POLICIES

A. General exclusion policy applicable to all DNCA Finance funds

This policy applies to all assets managed by DNCA Finance through direct investment in individual private issuer. To date, the exclusions referenced in this policy are monitored within the funds, except where contractual provisions received from the delegated management company provide otherwise.

Below the mapping of specific exclusions applied to DNCA Finance investments:

	Normative Exclusions		Sectorial Exclusions (maximum revenue threshold)			
	Controversial Weapons	Worst Offender	Coal energy generation	Thermal coal production	Oil & unconventional ¹ Gas production	Tobacco production
DNCA Finance	Exclusion list	Exclusion list	10%	10%	10%	0%

¹ Unconventional oil and gas are derived from oilsands, shale energy, and Arctic drilling.

B. Exclusion policies specific to some DNCA Finance funds (art.9)

	SRI LABEL	Arms production ²	Coal production	Electricity production ³	Oil and Gas production	Money gambling	Alcohol	Adult entertainment	Palm oil
SUSTAIN		10%	0%	50%	0%	5%	5%	5%	5%
DNCA Invest Sustain Alterosa	Yes								
DNCA Invest Sustain Semperosa	Yes								
DNCA Invest Sustain Real Estate	Yes								
DNCA Invest Sustain Climate	Yes								

² Manufacturers of military equipment, spare parts, and service providers (e.g., engineering firms) are not included

³ Not aligned with the trajectory consistent with the Paris Agreement. [See here](#)

II. GENERAL EXCLUSION POLICIES APPLICABLE TO ALL DNCA FINANCE FUNDS

A. General exclusions based on exclusion lists

1. Operating principles of the exclusion lists

Exclusions are validated and supervised by a dedicated committee, the Sustainable Investment Monitoring Committee (« SID »), whose functioning is presented in this document.

Investments excluded due to involvement in controversial weapons and/or subject to severe controversies or violations (Worst Offenders³) are governed by exclusion list. These lists are established based on data provided by independent specialised extra-financial agencies, which cover all companies within DNCA Finance's investment universe.

These lists are regularly updated according to the following process:

- The lists are regularly updated by the SRI department with companies newly identified by the extra-financial agency;
- The updated lists are reviewed by the SID Committee, which ensures the validity of the analysis conducted by the extra-financial agency, particularly in cases where there is uncertainty regarding a company's involvement in an excluded activity or where DNCA Finance already holds securities of the company concerned in its portfolios;
- In such cases, DNCA Finance seeks to collect information from other sources and/or engages in dialogue with the company concerned to determine the company's actual level of involvement;
- Cases brought forward for discussion are reviewed by the SID Committee, which decides whether the company should remain on the exclusion list. If DNCA Finance already holds securities of a company newly added to the exclusion list, these securities will be sold as soon as possible while always acting in the best interests of investors.

These lists are validated by the SID Committee and communicated to the relevant stakeholders: portfolio managers, the Risk Management department, and the Compliance department. The lists may only be amended by the SID Committee. The exclusion lists in force are binding on DNCA Finance portfolio managers; any request for an exception must be submitted to the SID Committee for decision. An ad hoc SID Committee may exceptionally convene to update the lists outside the regular semi-annual meetings (see the [SID Committee's operating rules](#)).

To ensure compliance with the prohibition on investing in companies included on the exclusion lists, the following controls are implemented:

- A pre-trade control at the time of order placement for collective management and institutional mandate management;
- A post-trade control after order execution for discretionary mandate management;
- An ex-post control conducted as part of the daily monitoring of investment restrictions;
- An annual control performed by the Compliance department to verify adherence to this policy.

DNCA Finance's lists apply according to the following terms:

- Exclusion on controversial weapons applies to assets managed through direct investment and to derivatives whose underlying is a single security.

³ See [Exclusion policy for companies considered as Worst Offenders](#)

- Other exclusions:
 - Funds with the SRI label: apply to assets managed through direct investment and to derivatives whose underlying is a single company.
 - Other funds/mandates: apply to all assets managed through direct investment and to equivalent long positions obtained through derivatives whose underlying is a single company, unless otherwise provided by contractual provisions received from the delegated management company.

2. Exclusion policy on controversial weapons

The practice of excluding so-called controversial weapons from investment portfolios emerged in the 2000s, notably following the signing of the Ottawa Convention in 1997, which aims to prohibit the use, stockpiling, production and transfer of anti-personnel mines (APM), as well as the Oslo Treaty in 2008, which aims to ban and eliminate cluster munitions (CM).

France transposed these texts into its national legislation the 8th of July 1998 and 20th of July 2010 respectively; Luxembourg also transposed them on the 29th of April 1999 and 4th of June 2009.

Anti-personnel mines and cluster munitions are weapons that may affect populations not involved in armed conflicts. Financing such activities may therefore be considered as an incentive to produce these weapons. From one regulator to another, the scope of the prohibition may vary. In France, and in line with the recommendations of the AFG (French Asset Management Association), a company is considered to be involved in the development, manufacture, production, acquisition, storage, retention, offering, transfer, import, export, trading, brokerage, transfer or use of controversial weapons when it develops, manufactures or sells such weapons.

DNCA Finance has therefore adopted this exclusion policy, which:

- Defines the criteria used to identify companies that it intends to exclude (i.e. types of weapons, level of involvement, etc.);
- Is based on a list of “excluded companies” established using data provided by a specialised extra-financial agency in the defence sector, to which the criteria defined by DNCA Finance are applied in accordance with the methodology described below;
- Defines the scope of application as well as the key elements of its implementation.

The scope of excluded companies is determined based on three criteria:

- 1st criterion: Type of weapons

The types of weapons included in the scope of DNCA Finance’s controversial weapons exclusion policy are:

- Anti-personnel mines « APM ».
- Cluster munitions « CM ».
- Weapons of mass destruction (nuclear⁴, chemical and biological weapons);
- 2nd criterion: Level of involvement in terms of company activities

A company will be considered involved in the development, production, acquisition, storage, retention, offering, transfer, import, export, brokerage, transfer or use of the above-mentioned weapons when it develops, manufactures or sells such weapons. However, additional investigations may be conducted to verify whether the component in question is linked to a controversial weapon.

- 3rd criterion: Level of involvement in terms of shareholding/ownership

Companies holding 50% or more of a company involved in the development, production, acquisition, storage, retention, offering, transfer, import, export, brokerage, transfer or use of controversial weapons are also included within the scope of companies excluded by DNCA Finance.

⁴ For countries that are not signatories to the Nuclear Non-Proliferation Treaty (NPT)

i. Reglementary references

- Nuclear Non-Proliferation Treaty Trait of July 1st, 1968;
- Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) Toxin Weapons and on their Destruction, 10 April 1972;
- Chemical Weapons Convention, 3rd of September 1992;
- Geneva Convention of 10th of October 1980 on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which may be Deemed to be Excessively Injurious or to Have Indiscriminate Effects, together with its Protocols: Protocol (I) on Non-Detectable Fragments, Protocol (II) on Prohibitions or Restrictions on the Use of Mines, Bobby-Traps and Other Devices Protocol (III) on Prohibitions or Restrictions on the Use of Incendiary Weapons, Protocol (IV) on Blinding Laser Weapons, Protocol (V) on Explosive Remnants of War ;
- Ottawa Convention, 3rd of December 1997, on the prohibition of the use, stockpiling, production and transfer of anti-personnel mines and their destruction ;
- Oslo Treaty 3rd of December 2008, on cluster munitions:

1) France

- Law of 8th of Juillet 1998 aimed at the elimination of anti-personnel mines;
- Law n°2010-819 of 20th of July 2010 aimed at the elimination of cluster munitions.

2) Luxembourg

- Law of 29th of April 1999 approving the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction, signed in Ottawa on 4th of December 1997;
- Law of 4th of June 2009 approving the Convention on Cluster Munitions, opened for signature in Oslo on 3rd December 2008.

3. Exclusion policy for companies considered as Worst Offenders

DNCA Finance identifies issuing companies (i) that present the highest risk in terms of corporate responsibility and/or (ii) that are in serious violation of one or more of the 10 principles of the United Nations Global Compact (see below).

To do so, DNCA Finance analyses and classifies the controversies affecting companies, both those related to corporate responsibility and those related to compliance with the United Nations Global Compact. This process makes it possible to determine whether controversies are major or severe and, where applicable, to classify the company concerned as a Worst Offender. Companies classified as Worst Offenders are excluded from the eligible investment universe.

To assess whether a company should be classified as a Worst Offender in relation to the United Nations Global Compact, DNCA Finance relies on the Ten Principles of the United Nations Global Compact. These Ten Principles, established in 2000, are considered a set of minimum standards that all companies worldwide should respect to conduct their activities responsibly and to limit potential negative impacts on their stakeholders: **Human rights, labour, environment, anti-corruption.**

- Human rights :

Principle 1: Companies should support and respect the protection of internationally proclaimed human rights.

Principle 2: Companies should ensure that they are not complicit in human rights abuses.

- Labour :

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: The elimination of all forms of forced and compulsory labour

Principle 5: The effective abolition of child labour

Principle 6: Elimination of discrimination in respect of employment and occupation.

- Environment:

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Undertake initiatives to promote greater environmental responsibility.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

- Anti-corruption:

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

4. Exclusion policy for at risk countries

DNCA Finance has established a framework to combat money laundering and terrorist financing (“AML/CFT”), which includes a risk-based approach, notably regarding geographical exposure.

To determine whether a country represents a higher ML/TF risk, a methodology has been implemented based on nine criteria, enabling the identification of four country risk levels: low, medium, high, or unacceptable.

Countries presenting an unacceptable level of risk primarily include countries subject to embargoes, countries with strategic deficiencies in their AML/CFT framework, as identified by the FATF, countries with a significant level of corruption, and countries with a very low level of tax transparency and fairness.

Any issuer incorporated in a country deemed to present an unacceptable level of risk is prohibited.

B. General exclusions based on revenue thresholds

1. Operation of thresholds

As part of its climate commitment, DNCA Finance has adopted a phase-out strategy for the financing of coal and unconventional hydrocarbons (i.e. derived from oil sands, shale energy and Arctic drilling). This commitment supports DNCA Finance's ambition to align its investments with the objectives of the Paris Agreement. Exposure to tobacco production activities is also excluded through this revenue-threshold approach.

Accordingly, the activities described below are excluded based on the share of revenue generated by issuers from these activities once a defined threshold is exceeded. This revenue threshold will be progressively reduced over time with the objective of achieving the complete exclusion of these activities across all investments.

The thresholds are reviewed annually, together with this policy, within the SID Committee, and become applicable once validated.

With the support of external service providers, revenue exposures are reported daily and monitored within DNCA Finance's systems. Issuers exceeding the applicable thresholds will be divested within a timeframe consistent with the best interests of investors.

The exclusions are applied under the following terms:

- Funds with the SRI label: applies to assets managed through direct investment and to derivatives whose underlying is a single company
- Other funds/mandates: applies to all assets managed through direct investment and to equivalent long positions obtained through derivatives whose underlying is a single company, unless otherwise provided by contractual provisions received from the delegated management company.

2. Exclusion of coal financing

As part of its coal policy, DNCA Finance aims to gradually reduce its exposure to coal to zero by 2030 for companies based in the European Union and OECD countries, and by 2040 for other companies.

This timeline, which reflects the Natixis Group principles applied at DNCA Finance level, is also aligned with the sustainable development scenarios of the International Energy Agency (IEA).

The activities and deadlines targeted by DNCA Finance's coal policy are as follows:

- Thermal coal production: since March 2022, the exclusion policy has provided for the exclusion of companies deriving 10% or more of their revenue from thermal coal extraction. This threshold will be progressively reduced to 5% by the end of 2027 for companies headquartered in the European Union or an OECD country, leading to a complete phase-out by 2030 with a tolerance threshold of 0% of revenue. For companies headquartered in other countries, the threshold will be progressively reduced to 5% by the end of 2030, with a complete phase-out implemented in 2040 with a tolerance threshold of 0% of revenue.
- Coal-fired power generation: since March 2022, the exclusion policy has provided for the exclusion of companies involved in coal-fired electricity generation deriving 10% or more of their revenue from this activity. This threshold will be progressively reduced to 5% by the end of 2027 for companies headquartered in the European Union or an OECD country, leading to a complete phase-out by 2030 with a tolerance threshold of 0% of revenue. For companies headquartered in other countries, the threshold will be progressively reduced to 5% by the end of 2030, with a complete phase-out implemented in 2040 with a tolerance threshold of 0% of revenue.

3. Exclusion of financing for unconventional oil and gas

DNCA Finance also aims to gradually reduce its exposure to unconventional hydrocarbons to zero by 2040 (for companies headquartered in the European Union and other countries).

The activity and timelines targeted by DNCA Finance's unconventional hydrocarbons policy are as follows:

- Unconventional oil and gas production: companies deriving 10% or more of their revenue from unconventional oil and/or gas production are excluded. This threshold will be progressively reduced to 5% by the end of 2030 for companies headquartered in the European Union or an OECD country, leading to a complete phase-out by 2040 with a tolerance threshold of 0% of revenue. For companies headquartered in other countries, the threshold will also be progressively reduced of 5% by the end of 230, with a complete phase-out implemented in 2040 with a tolerance threshold of 0% of revenue.

4. Exclusion of tobacco production

DNCA Finance does not wish to participate in the financing of the tobacco industry. Accordingly, companies involved in the manufacture of tobacco are excluded, with a revenue threshold of 0%.

III. EXCLUSION POLICIES SPECIFIC TO CERTAIN DNCA FINANCE FUNDS

In line with its Responsible Investment strategy, DNCA Finance has decided to exclude a number of sectors and activities that are not compatible with the approach of certain funds. This sectoral exclusion approach varies depending on the management strategies. The exclusions are based on companies' exposure to the excluded activities, measured by their share revenue.

A. Exclusions specific to the « SRI Label »

DNCA Finance funds that have obtained

The specific requirements of the SRI Label framework are available on [our website](#). The DNCA Finance funds that have obtained the SRI Label are also listed on [our website](#).

B. Exclusions specific to the ESMA “Fund Naming” regulation

Certain DNCA Finance funds are subject to the ESMA Fund Naming regulation. This regulation requires funds with ESG-related names to comply with specific constraints depending on their category. Accordingly, a fund with an ESG-related designation is classified into one of the following categories: Environment, Social, Governance, Transition, Impact, or Sustainability, and must apply the constraints associated with that classification as defined [in the ESMA guidelines](#).

The exclusion referenced by ESMA correspond to the exclusion applied by the Paris-Aligned Benchmark (PAB) and Climate Transition Benchmark (CTB) reference indices, available [here](#).

Some DNCA Finance funds are not directly subject to the ESMA Fund Naming guidelines but have voluntarily chosen to comply with the Paris-Aligned Benchmark (PAB) exclusions (see the “voluntary” category in the table⁵ below).

⁵ In the table, the abbreviation E refers to environmental characteristics, and S refers to social characteristics.

Fund name	Compliance Fund Naming ESMA	Classification ESMA						Volunteering
		Environment	Social	Governance	Sustainability	Transition	Impact	
		Min. 80% investment with E or S characteristics (or sustainable investment) + PAB exclusions	Min. 80% investment with E or S characteristics (or sustainable investment) + CTB exclusions	Min. 80% investment with E or S characteristics (or sustainable investment) + CTB exclusions	Min. 80% investment with E or S characteristics (or sustainable investment) + PAB exclusions + Significant share of investment in sustainable investment	Min. 80% investment with E or S characteristics (or sustainable investment) + CTB exclusions + Measurable transition (E or S)	Min. 80% investment with E or S characteristics (or sustainable investment) + PAB exclusions + Measurable impact (E or S)	
DNCA INVEST - SUSTAIN SEMPEROSA	Yes				X			
DNCA INVEST - SUSTAIN CLIMATE	Yes	X			X			
DNCA INVEST - SUSTAIN ALTEROSA	Yes				X			
DNCA INVEST - SUSTAIN REAL ESTATE	Yes				X			
DNCA INVEST - SRI EUROPE GROWTH	Yes	X						
DNCA INVEST - SRI NORDEN EUROPE	Yes	X						
DNCA INVEST - EVOLUTIF	Yes						X	
DNCA INVEST - SRI HIGH YIELD	Yes	X						
DNCA INVEST - ALPHAPLAY EUROPEAN EQUITIES	Yes			X			X	
DNCA SRI EURO QUALITY	Yes	X						
DNCA ERE - EVOLUTIF ERE (FCPE)	Yes						X	

C. Exclusions based on revenue thresholds

The SID Committee also defines issuers excluded due to their involvement in certain activities (sector exclusions), as well as the investment scope concerned. Compliance with these exclusions is monitored through investment risk controls, based on data provided by independent specialised extra-financial agencies. Alerts are generated daily based on the investments concerned⁶.

When an alert is raised, it is analysed by the SRI, Portfolio Management, and Risk departments, using information from other sources and/or through dialogue with the company concerned in order to determine the company's actual level of involvement. The exclusion becomes effective once the alert has been confirmed following this review process.

The activities subject to exclusion in Art.9 SFDR funds are as follows:

- **Alcohol:** This policy provides for the strict exclusion of any company deriving more than 5% of its revenue from the manufacture, distribution, sale and/or licensing of alcoholic products.
- **Palm oil:** This policy provides for the strict exclusion of any company deriving more than 5% of its revenue from the manufacture and/or distribution of palm oil.
- **Adult entertainment:** This policy provides for the strict exclusion of any company deriving more than 5% of its revenue from activities related to adult entertainment.
- **Money gambling:** This policy provides for the strict exclusion of any company deriving more than 5% of its revenue from gambling-related activities.
- **Weapons production:** This policy provides for the strict exclusion of any company deriving more than 10% of its revenue from weapons production. It should be noted that any involvement in the production of unconventional weapons (incendiary weapons, white phosphorus, depleted uranium, blinding laser weapons, non-detectable fragments) is strictly excluded (0% revenue threshold).
- **Oil & Gas:** This policy provides for the strict exclusion of any company involved in the production and/or exportation of unconventional and conventional⁷ oil and gas (from 0% of revenue).
- **Coal extraction:** This policy provides for the strict exclusion of companies involved in coal extraction (no revenue derived from coal extraction permitted).
- **Electricity production:** Any issuer whose main activity is electricity generation, and whose carbon intensity of electricity generation is not compatible with the objectives of the Paris Agreement. The fund may rely on the thresholds below, or on any other scenario aligned with the objectives of the Paris Agreement.

Year	2024	2025	2026	2027	2028
geqCO2/kWh	326	291	260	232	207

In the case of companies undergoing a transition, exceptions may be granted up to a limit of 5% of the portfolio. The assessment of the transition is conducted internally, with the support of external data providers.

These exclusions follow the same implementation procedures as the exclusions applicable across DNCA Finance

⁶ See [threshold operations](#)

⁷ Unconventional oil and gas are derived from oil sands, shale energy, and Arctic drilling

IV. OPERATING RULES OF THE SUSTAINABLE INVESTMENT MONITORING COMMITTEE (SID)

- Governance: the permanent members of the SID Committee are the Secretary General of Asset Management, the heads of the Risk Management, Compliance and Legal functions, as well as the Head of the SRI Department, accompanied by several team members. Invitees may include portfolio managers, particularly where one of their portfolios is investment in a company affected by an exclusion policy.
- Frequency: the SID Committee meets on a semi-annual basis.
- Responsibility: the SID Committee is responsible for the entire exclusion policy. It validates all excluded issuers through the exclusion lists and through the configuration of sector exclusions. It ensures the traceability and justification of any modifications made to the exclusion lists.
- Referral to the committee: when necessary, the SID Committee may be referred to by the SRI department, the Head of Compliance, the Risk Management function and/or a portfolio manager.
- Administration of agendas and minutes: SRI Department

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