Annex 4 RTS SFDR / Template periodic disclosure for the financial products referred to in Article 8

Product name: DNCA SRI EURO QUALITY

Legal entity identifier: 969500NFNFWS3ABQIZ94

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective[1]?	
☐ Yes	☑ No
☐ It made **sustainable investments with an environmental objective**: ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 60.8% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 37.7% ☑ with a social objective 23.1%
☐ It made **sustainable investments with a social objective**:	☐ It promoted E/S characteristics but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The characteristics promoted by the Sub-Fund were governance, environment, social and societal criteria.

The management of the Sub-Fund relied on the proprietary analysis tool on environment, social and governance: ABA (*Above and Beyond Analysis*).

As part of the promotion of such characteristics, the Sub-Fund principally considered the following ESG matters:

- Environment: GHG emissions, airborne pollution, waterborne pollution, water consumption, land use.
- Social: Excessive CEO Compensation, gender inequality, health and safety issues, child labor.
- Governance: Monitoring corruption and bribery, tax avoidance.
- Global ESG quality rating.

In this way, for private issuers, the investment process based on stock picking took into account an internal Corporate Responsibility rating thanks to an extra-financial analysis through the ABA tool, with a "best in universe" approach (selection of the investment universe independently of the sectoral activity).

The Sub-Fund did not use a benchmark for the purpose of attaining the ESG Characteristics promoted by the Sub-Fund.

[1] ***Sustainable investment*** *means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices. The* ***EU Taxonomy*** *is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally* ***environmentally sustainable economic activities****. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.*

- **How did the sustainability indicators perform[1] ?**

The sustainability indicators of the Sub-Fund for private issuers were:

- The *Above and Beyond Analysis*(*ABA, the proprietary tool) Corporate Responsibility Score: the main sustainability indicator used by the Sub-Fund is the ABA scoring based on the Corporate Responsibility and divided into four pillars: shareholder responsibility, environmental responsibility, employer responsibility, societal responsibility.*
- The Transition to a Sustainable Economy exposure: the asset manager completes this analysis by an assessment of companies' exposure to *Transition to a Sustainable Economy*. This exposure is calculated among five pillars: demographic transition, healthcare transition, economic transition, lifestyle transition and ecologic transition.
- Exposure to UN Sustainable Development Goals: the Management Company assesses for each company the part of revenues linked to one of the 17 Sustainable Development Goals of the United Nations.
- Carbon data: carbon footprint (t CO_2/m$ invested) of the Sub-Fund's portfolio.
- Carbon intensity (t CO_2/m$ revenues) of the Sub-Fund's portfolio.
- The proportion of the Sub-Fund's portfolio in the *"worst offenders"* list of the Management Company; this list is consisted of the issuers most at risk from a social responsibility point of view. This list is established based on major controversies, after analysis by members of the SRI team, and after validation by the Sustainable Investment Monitoring Committee.

Performance of sustainability indicators for private issuers as of 29/12/2023

Sustainability indicators	Performance of the sustainability indicators
ABA Corporate Responsibility score	6.03/10
Transition to a Sustainable Economy exposure	35.41% of revenues
% Exposure to the SDGs	35.41% of revenues
Carbon footprint	325
Carbon intensity	766
% *Worst Offenders* list	0%

- **…and compared to previous periods?**

Compared to the end of 2022, the ESG quality of the portfolio, as indicated by its responsibility rating, has improved (ABA responsibility rating increased from 5.87 as of end-2022). Our bolstered positions in Dassault Systèmes, Iberdrola, and Schneider contributed to this enhancement, given their high ratings.

Exposure to the transition toward a sustainable economy has also advanced (32.27% as of end-2022). The inclusion of Merck Kgaa and our reinforced positions in Dassault Systèmes, Schneider, and EssilorLuxottica have driven this progress.

Both carbon intensity and carbon footprint have notably increased with the implementation of scope 3 in calculations compared to the previous year. Nevertheless, the objective remains achieved with metrics lower than the benchmark index, which also includes scope 3.

No company from the Worst Offender list is present in the portfolio.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments of the Sub-Fund were the contributions of the investee companies to the United Nations Sustainable Development Goals (SDG). These companies are required to comply with the following eligibility conditions which are based on a "pass-fail" approach:

- minimum 5% revenues exposed to SDGs, according to the internal sustainability framework based on Sustainable Transition Activities (demographic transition and/or healthcare transition and/or economic transition and/or lifestyle transition and/or ecologic transition).
- minimum rating of 2 out of 10 on Corporate Responsibility Rating (ABA) (taking into account controversies and PAI, Principal Adverse Impacts) combined with the exclusion policy, integrating the Do Not Significantly Harm on any environmental or social objective (see below).
- minimum rating of 2 out of 10 on Governance (Corporate Governance Practices).

The minimum rate of 2 of 10 (Corporate Responsibility in the proprietary tool ABA) is in line with the objective to Do No Significant Harm to the social or environmental objectives.

[1] ***Sustainability indicators*** *measure how the environmental or social characteristics promoted by the financial product are attained.*

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The adverse impacts of the companies' activities on environment and social objectives were directly integrated into the ABA Corporate Responsibility Rating (which integrates the indicators for adverse impacts on sustainability factors in Table 1 of Annex 1 of the SFDR RTS and may lead to a downgrading of the ABA scoring under the minimum rating).

In this background, the Asset Manager has implemented in accordance with its Exclusion Policy the following exclusions:

- Thermal coal and unconventional oil and gas: the Asset Manager gradually excluded companies involved in thermal coal and unconventional oil and gas business.
- Controversy weapons: issuers were excluded from all the Asset Manager's portfolios
- Non-compliance with UN Global Compact: issuers with severe breaches to the UN Global Compact principles were integrated in the Asset Manager's *Worst Offenders* list and excluded from all the portfolios.

As of 29 December 2023, no breaches have been identified and no companies involved in thermal coal and unconventional oil and gas business were included in the asset managers' portfolio.

No violation of the various "Do Not Significantly Harm" indicators was observed in 2023. Thus, the fund has adhered to the exclusion policy implemented at the organizational level. No severe controversies were noted within the portfolio companies. All securities in the portfolio meet the minimum responsibility rating, which includes ESG factors and the impact of controversies. Additionally, certain portfolio companies involved in non-severe controversies have undergone engagement efforts (e.g., Edenred regarding restaurant commission amounts and Dassault Systèmes regarding Myanmar allegations) with satisfactory responses.

- *How were the indicators for adverse impacts on sustainability factors[1] taken into account?*

The integration of the 14 mandatory PAI plus 3 optional PAI aimed to build a Corporate Responsibility Rating out of 10. A minimum rating of 2 out of 10 is thus consistent to the DNSH approach (Do No Significant Harm to the social or environmental objectives) in addition to two binding PAI (PAI 10- Violation UNGC and PAI 14- Controversial weapons).

- *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Issuers that did not comply with the principles of the United Nations Global Compact were unfavorably rated for Corporate Responsibility in the ABA tool.

Issuers with controversies or in severe breach to UN Global Compact Principles (example: human rights or fight against corruption) based on the internal approach were excluded from the portfolio through the *Worst Offenders* list after internal analysis.

The *internal approach*as described below allowed the Asset Manager to define a list of issuers identified as being in breach of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and which have been qualified as having committed a "severe breach" by the Management Company's Ethics Committee. These issuers were therefore included in an exclusion list of the *Worst Offenders* and which are prohibited from investing.

To perform this analysis, the Management Company used an external data provider's database to:
1. Extract issuers with "norms based" alerts ;
2. Filter out irrelevant issuers ;
3. Qualitative analysis of the infringements by the Management Company's Ethics Committee ;
4 . Include issuers identified as having committed a *severe breach* in the list of *Worst Offenders*.

Hence, the sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
Any other sustainable investments must also not significantly harm any environmental or social objectives.

[1] ***Principal adverse impacts*** *are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti- bribery matters.*

How did this financial product consider principal adverse impacts on sustainability factors?

For Private issuers, The Sub-Fund took into account the principal adverse impacts on sustainability factors:

- The Principal Adverse Impact analysis was part of the Corporate Responsibility Rating ;
- The Asset Manager has implemented an Adverse Impact on Sustainability Policy, measuring the PAI. The Policy first intended to monitor the contributions to climate change (CO_2 emissions, CO_2 intensity, implied temperature) in the context of the "Climate Trajectory" objectives.

What were the top investments of this financial product?

Top investments of the portfolio, as of 29 December 2023:

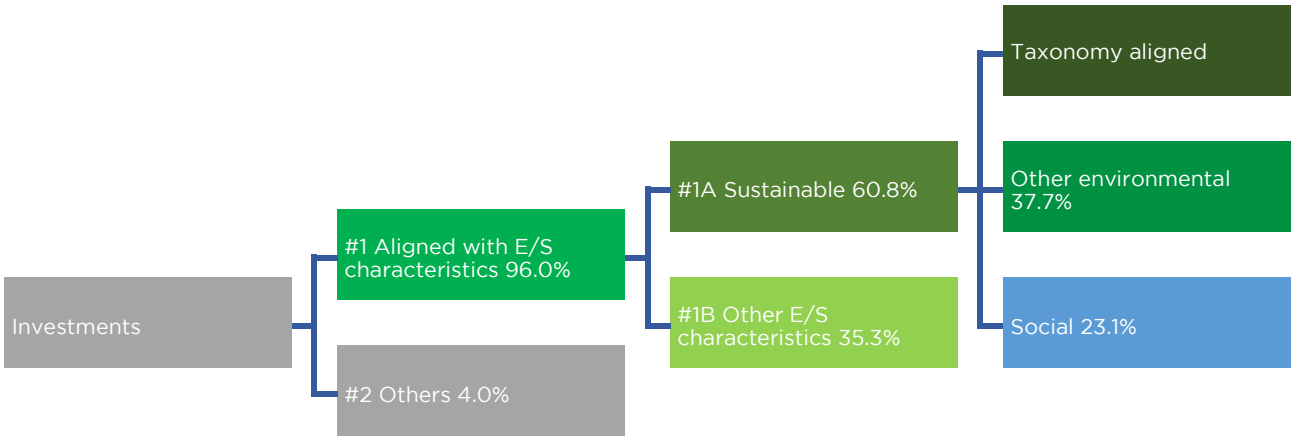
Largest investments	Sector	% of assets	Country
ASML Holding NV	Technology	6.04%	Netherlands
EssilorLuxottica SA	Health Care	5.72%	France
Air Liquide SA	Chemicals	4.29%	France
LVMH Moet Hennessy Louis Vuitton SE	Consumer Products and Services	4.17%	France
Dassault Systemes SE	Technology	3.97%	France
Infrastrutture Wireless Italiane SpA	Telecommunications	3.87%	Italy
Siemens Healthineers AG	Health Care	3.76%	Germany
Thales SA	Industrial Goods and Services	3.47%	France
Vinci SA	Construction and Materials	3.35%	France
Sanofi	Health Care	3.35%	France
L'Oreal SA	Consumer Products and Services	3.29%	France
Siemens AG	Industrial Goods and Services	3.26%	Germany
Amadeus IT Group SA	Technology	2.93%	Spain
Cie Generale des Etablissements Michelin SCA	Automobiles and Parts	2.82%	France
Schneider Electric SE	Industrial Goods and Services	2.73%	France

[1] The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: (2022).

What was the proportion of sustainability-related investments?

As of 29 December 2023, the Sub-Fund invested 96.0% of its net assets in investments aligned with environmental and social characteristics. 60.8% of those were directly invested in sustainable investments. The remaining portion of the Sub-Fund's net assets (#2 Other) consisted of financial derivative instruments, deposits at sight, money market funds, money market instruments and other deposits used for hedging and efficient portfolio management purposes and to manage the liquidity of the portfolio or to reduce any specific financial risk.

- **What was the asset allocation[1]?**



For the 2023 financial year, the information received from our data providers does not appear to be sufficiently reliable following the initial checks carried out to quantify the proportion of investments aligned with the taxonomy.
DNCA Finance has therefore prudently chosen not to use it and not to communicate the consolidated alignment figures this year for funds not committed to this criterion.

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**

The investments were made in the following economic sectors:

Sector	% AUM
Technology	18.04%
Industrial Goods and Services	17.73%
Health Care	15.63%
Consumer Products and Services	11.35%
Construction and Materials	5.32%
Chemicals	4.91%
Energy	4.10%
Media	3.97%
Telecommunications	3.87%
Automobiles and Parts	3.29%
Banks	2.76%
Utilities	1.59%
Food, Beverage and Tobacco	1.33%
Financial Services	0.56%

The above sector classification can differ from the one used in the financial periodic report.

[1] **Asset allocation** describes the share of investments in specific assets.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy[1]?

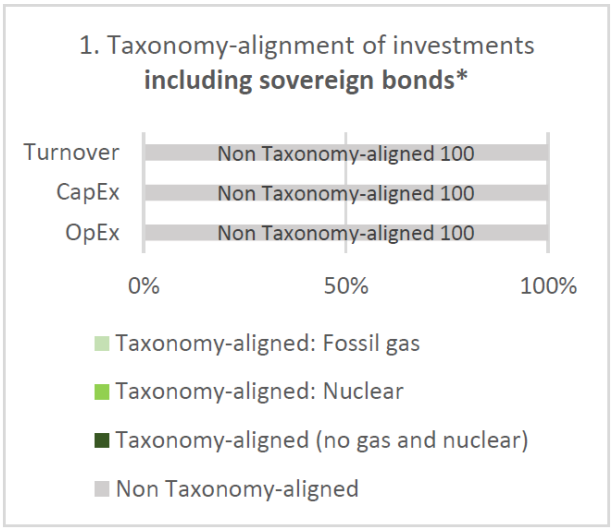
For the 2023 financial year, the information received from our data providers does not appear to be sufficiently reliable following the initial checks carried out to quantify the proportion of investments aligned with the taxonomy.
DNCA Finance has therefore prudently chosen not to use it and not to communicate the consolidated alignment figures this year for funds not committed to this criterion.

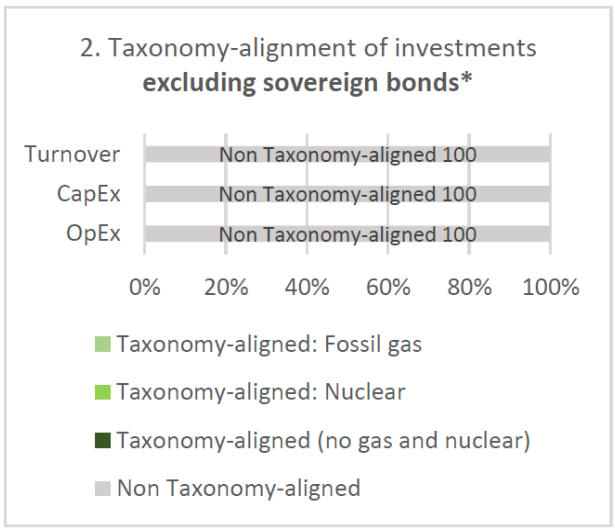
- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[2] ?**

☐ Yes:
- ☐ In fossil gas
- ☐ In nuclear energy

☑ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What was the share of investments made in transitional and enabling activities?**

Not applicable

- **How did the percentage of investments that were aligned with the EU Taxonomy[3] compare with previous reference periods?**

Not applicable

[1] PTo comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For**nuclear energy**, the criteria include comprehensive safety and waste management rules.
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.
[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (*climate change mitigation*) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.
[3] Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The symbol represents sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU).

The Sub-Fund's invested 37.7% of its net assets in sustainable investments with an environmental objective that were not aligned with the EU Taxonomy Regulation (given the lack of taxonomy data, DNCA Finance considers that all environmental investments are not aligned with the EU Taxonomy).

What was the share of socially sustainable investments?

The Sub-Fund invested 23.1% of its net assets in sustainable investments with a social objective.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The investments included under *#2 Other* could consist of financial derivative instruments, deposits at sight, money market funds, money market instruments and other deposits used for hedging and efficient portfolio management purposes and to manage the liquidity of the portfolio or to reduce any specific financial risk.

These investments did not have specific environmental or social safeguards.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The investment process was based on the following three stages:

- Selection of the investment universe combining a financial and extra-financial approach in particular by excluding issuers which do not comply with our minimum standards for inclusion (rating below 2/10 in the ESG proprietary tool) or exposed to major controversies;
- Asset classes allocation based on an analysis of the investment environment and the management team's risk appetite;
- Security selection is based on a fundamental analysis of issuers from the point of view of the minority shareholder and/or bond creditor, taking into account ESG criteria and the valuation of the instruments.

The ABA scoring is the proprietary tool of analysis and Corporate Responsibility Rating used to anticipate companies' risks especially looking at the relationship with their stakeholders: employees, supply chains, clients, local communities, and shareholders..., regardless of the sector of activities.

The ABA analysis of corporate responsibility is broken down into four pillars:

- Shareholders responsibility (board of directors and general management, accounting practices and financial risks, etc.) ;
- Social responsibility (including working conditions, diversity policy, accidentology, training policy, etc.);
- Societal responsibility (tax optimisation, corruption, respect for local communities and respect for personal data);
- Environmental responsibility (including environmental management policy, consideration of biodiversity issues, etc.).

This in-depth analysis, combining qualitative and quantitative research, leads to a rating out of 10.

The engagement process, which aims to serve the ESG objectives of the product, is carried out in several steps:

1. Identify targets for proactive and reactive engagement among issuers in DNCA Finance's investments, following on from the alert system set up as part of sustainability risk and negative impact management.

2. Implement an engagement plan for the identified engagement targets, monitor the engagement process and measure the results.

3. Integrate the results of engagement actions into investment decisions.

DNCA Finance's proactive engagement aims to encourage companies to develop better transparency and management of their ESG issues, through an ongoing dialogue. The reactive engagement process is an escalation process that relies on the alert mechanism in place for sustainability risk and negative impact management. The engagement actions can include requests for corrective actions and the possible decision to disinvest (*Worst Offenders*). DNCA Finance also participates in collective initiatives for coordinated and/or collaborative actions to promote best practices on systemic or transversal topics, concerning certain issuers, ESG issues likely to generate sustainability risks and/or negative sustainability impacts, and compliance with the principles of the Task Force on Climate related Financial Disclosure (TCFD) and the Task Force on Nature related Financial Disclosure (TNFD).

Engagement Case: Among our engagement efforts in 2023, we initiated dialogue with Sartorius Stedim. We had noted a workforce reduction announced by the management team following the decline in activity in 2023. It appears that Sartorius Stedim's social responsibility policy is satisfactory. Specifically, the management of Sartorius Stedim had increased the proportion of temporary positions to meet the surge in demand resulting from the Covid crisis. Furthermore, all departing employees leave the company at the end of their contracts. No economic layoffs were required.

How did this financial product perform compared to the reference benchmark?

The chosen reference index is not intended to be aligned with the environmental and social ambitions promoted by the financial product.

- **How did the reference benchmark differ from a broad market index?**

Not applicable

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not applicable

- **How did this financial product perform compared with the reference benchmark?**

Not applicable

- **How did this financial product perform compared with the broad market index?**

Not applicable