

SOLYS – DNCA EQUITY SELECTION

Article 10 (SFDR)

Website disclosure for an Article 8 fund

Société Générale Investment Solution (France) (SG IS (France))

April 2026

This document includes information relating to environmental and social characteristics of financial products, and sustainable investments, in accordance with article 10 of the Sustainable Finance Disclosure Regulation (SFDR)¹.

| PRODUCT NAME: SOLYS – DNCA EQUITY SELECTION Legal entity identifier: 636700V85Y875OK62032 | |
|---|---|
| Does this financial product have a sustainable investment objective? | |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___% | <input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments |

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.



A. SUMMARY

The Sub-Fund SOLYS – DNCA EQUITY SELECTION (the “Sub-Fund”) is an active UCITS. The Investment objective of the Sub-Fund is to generate performance over a long-term horizon by exploiting investment opportunities on the equity markets, while providing a fixed stream of distributions.

The Sub-Fund seeks to achieve its objective by investing in:

- a diversified basket of transferable securities (the "Basket"), including mainly fixed or variable debt instruments issued or guaranteed by sovereign states of the Euro Zone with a rating at least equal to that of France and shares or units of UCITS or other UCIs,

and, or,

- in an OTC Derivative (the "Swap") the purpose of which is to reach its investment objective by exchanging the investment proceeds against the value of the Portfolio (as defined hereafter).

The ‘Portfolio’ consists of a basket of equities that are components of the Index (the "Investment Universe"), which may be adjusted for the mitigation of risks as described below.

In addition, the Sub-Fund may invest up to ten (10) per cent in equities that are listed or traded on Regulated Markets of issuers which have their registered office or carry out their predominant activities in countries of the OECD that are not components of the Index.

Equities composing the Portfolio will be selected by a proprietary methodology designed by the Investment Manager (the "Methodology") which relies on a financial analysis based on a fundamental approach with a concentrated profile, combined with an extra-financial analysis aiming to select issuers based on their risk profile in terms of both corporate responsibility and sustainability, as well as taking into account the intensity of companies' greenhouse gas emissions.

Within the Investment Universe, equities composing the Portfolio will be selected taking into account the Investment Manager’s proprietary scoring with respect to both (i) corporate responsibility and (ii) sustainability of companies, based on a ‘best-in-universe’ approach.

In order to do so, equities of the Investment Universe will be ranked using a proprietary tool developed by the Investment Manager that relies on the experience, relationships and expertise of the Investment Manager.

(i) Corporate responsibility: the analysis of corporate responsibility is broken down into four aspects:

- shareholders responsibility (board of directors and general management, accounting practices and financial risks, etc.),
- environmental responsibility (environmental footprint of the production chain and product life cycle or responsible supply, energy consumption and water consumption, company CO2 emissions and management of waste, etc.),
- responsibility towards workers, and
- society responsibility (ethics and working conditions of the production chain, treatment of employees – safety, well-being, diversity, employee representation, wages, quality of products or services sold, etc.).

Each aspect is rated independently and weighted in accordance to how material it is for the company. Each dimension is broken down into a set of criteria, which are around 25 in total. This in-depth analysis, combining qualitative and quantitative research leads to a rating out of 10.

Moreover, the monitoring of the level of controversy is taken into account directly in the corporate responsibility and may affect the rating.

(ii) Sustainability: the sustainable transition focuses on the positive impacts' companies generated through their activities, products and services. The aim is to identify whether a company contributes to the sustainable transition.

In the model, this pillar has been broken down into 5 major themes:

- demographic transition (inclusion of senior citizens, access to education, etc.),
- medical transition (access to care, medical diagnostics, control of endemic diseases, etc.),
- economic transition (infrastructure development, digitalization, access to connectivity, etc.),
- lifestyle transition (extension of product lifestyle, circular economy, sustainable mobility, etc.),
and
- ecological transition (renewable energies, biodiversity, green mobility, etc.).

Around 34 activities which contribute to the sustainable transition have been identified and integrated into the model.

The analysis and the internal rating of the Investment Manager are based on factual data published by the companies, which may be incomplete or inaccurate, as well as continuous dialogue with company managers.

The Methodology will result in the exclusion of issuers which have a high-risk profile in terms of corporate responsibility and sustainability (rating below 2/10 in the ESG proprietary tool) or exposed to major controversies.

This extra-financial analysis excludes a minimum of 20% of issuers comprising the Investment Universe.

More than 90% of the equities composing the Portfolio do benefit from an extra-financial analysis.

The Methodology will also take into account the intensity of companies' greenhouse gas emissions. The strategy implemented aims to achieve a weighted average greenhouse gas emissions intensity (scope 1 and 2) of the selected companies that is 30% lower than the weighted average greenhouse gas emissions intensity of the Index.

Environmental and/or social characteristics promoted by the Sub-Fund are met through the selection of issuers based on their risk profile in terms of corporate responsibility and sustainability and by taking into account the intensity of companies' greenhouse gas emissions (as described above).



B. NO SUSTAINABLE INVESTMENT OBJECTIVE

This Sub-Fund promotes environmental and/or social characteristics within the meaning of article 8 of SFDR, and will not commit to make any sustainable investments.

How does this financial product take into account principal adverse impacts² on sustainability factors?

The PAIs are taken into account throughout the investment process, and particularly through the exclusion policy (sectoral and normative) and the GHG intensity reduction.

The Sub-Fund considers the PAIs detailed in the table below.

| | PAI | Measurement criteria | Engage-ment | Exclu-sion | Comment |
|---|--|---|-------------|------------|--|
| 1 | Greenhouse Gas Emissions | Scope 1 GHG emissions | X | X | - Thermal Coal Sector Policy - Unconventional oil & gas sector policy - Reduction of the GHG intensity relatively to the Index |
| | | Scope 2 GHG emissions | X | X | |
| | | Scope 3 GHG emissions | | | |
| | | Total GHG emissions | | | |
| 2 | Carbon footprint | Carbon footprint | X | X | |
| 3 | GHG intensity of investee companies | GHG intensity of investee companies | X | X | |
| 4 | Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | X | X | |
| 5 | Share of non-renewable energy consumption and production | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources | | | |
| 6 | Energy consumption intensity per high impact climate sector | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector | | | |
| 7 | Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas | X | X | - Deforestation exclusion policy - Palm oil exclusion policy - Biodiversity Pledge Signatory |

² 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, anticorruption and antibribery matters.

| | | | | | |
|----|---|--|--|---|--|
| 8 | Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | | | |
| 9 | Hazardous waste and radioactive waste ratio | Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average | | | |
| 10 | Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | | X | - Controversies exclusion filter |
| 11 | Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | | | |
| 12 | Unadjusted gender pay gap | Average unadjusted gender pays gap of investee companies | | | |
| 13 | Board gender diversity | Average ratio of female to male board members in investee companies | | | |
| 14 | Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | | X | - Exclusions related to controversial arms |

Are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

In accordance with the Société Générale Group's "Defence" sector policy, which meets the obligations of the Ottawa (1999) and Oslo (2008) conventions applicable to all French management companies, companies involved in activities related to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons) are excluded from the Sub-Fund's investment universe.

In addition, and in accordance with the Management Company's investment policy, companies with a very severe controversy rating (red) according to the MSCI nomenclature are excluded from the investment universe. These exclusions guarantee full compliance with the OECD guidelines for multinational enterprises and the United Nations guidelines on business and human rights.

The Controversy Rating is notably a warning measure of the reputational and operational risks to which companies are exposed. A very serious controversy can potentially result in heavy financial penalties. All of these indicators are monitored periodically.



C. ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

What are the environmental or social characteristics promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics through its integration of extra-financial criteria in the investment process and by exclusions of certain sectors or activities, that do not respect certain norms or values. The environmental and/or social characteristics promoted by the Sub-Fund are based on an approach combining fundamental financial analysis and extra-financial analysis through the consideration of ESG criteria (Environment, Social, Governance) aiming to select issuers based on their risk profile in terms of both corporate responsibility and sustainability, as well as taking into account the intensity of companies' greenhouse gas emissions.

At equity selection level, the Investment Manager addresses ESG factors throughout the investment process, including research, company engagement and portfolio construction. The Investment Manager incorporates i) an exclusion policy completed by ii) an ESG selection policy with respect to both (i) corporate responsibility and (ii) sustainability of companies, based on a “best-in-universe” approach and iii) the consideration of the intensity of companies' greenhouse gas emissions.

Depending on the sector of activity and geographical presence, every issuer is exposed to different material extra-financial risks. The Investment Manager's key ESG analysis particularly looks at the capacity of the issuer to manage its principal material risks and opportunities arising from the following ESG matters:

- Environment: GHG emissions, airborne pollution, waterborne pollution, water consumption, land use, etc.
- Social: excessive CEO compensation, gender inequality, health and safety issues, child labor, etc.
- Governance: monitoring corruption and bribery, tax avoidance, etc.

The Investment Manager relies on the proprietary analysis tool: ABA (Above and Beyond Analysis).

In this way, the investment process and resulting stock picking within the Portfolio take into account an internal scoring with respect to both corporate responsibility and sustainability of companies based on a 'best-in-universe' approach. There may be a sector bias.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

N/A

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

N/A



D. INVESTMENT STRATEGY

What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

Equities composing the Portfolio will be selected by a proprietary Methodology designed by the Investment Manager which relies on a financial analysis based on a fundamental approach with a concentrated profile, combined with an extra-financial analysis aiming to select issuers based on their risk profile in terms of both corporate responsibility and sustainability, as well as taking into account the intensity of companies' greenhouse gas emissions.

The investment approach is bottom-up and fundamentally driven. The Investment Manager firmly believes that, while stock prices can be volatile in the short term, the evolution of a company's share price over the long term is ultimately driven by underlying company fundamentals. Therefore, the Investment Manager believes that stock selection is the key to long-term outperformance.

The investment process follows three key stages:

1. **Ideas Generation:** attractive stock opportunities are sourced through proprietary in-house research and analytical screening, complemented by selective use of high-quality external insights. This process establishes a disciplined and repeatable framework for idea generation.
2. **Fundamental Analysis:** the primary tool we use for estimating target prices is Discounted Cash Flow (DCF), or reverse DCF to evaluate what is implied in current share price. A mix of other valuation methodologies is also used to assess the fundamental value of an investment case, with priority given to the ability of a company to create value for shareholders. The target price will be detailed in each individual investment case.
3. **Portfolio Construction:** a strong focus is given to risk at portfolio level. The ability to identify and manage unintended macro and factor risks arising from a concentrated portfolio is essential to deliver the right balance of risk adjusted performance over the medium term. By combining independent oversight with close collaboration, the Portfolio construction framework ensures that it reflects not only high-conviction investment ideas but also a deliberate and disciplined approach to risk.

Corporate Responsibility Rating through the ABA scoring (proprietary tool of analysis): Corporate responsibility is a useful information's pool used to anticipate companies' risks especially looking at the interplay 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.),
- environmental responsibility (environmental footprint of the production chain and product life cycle or responsible supply, energy consumption and water consumption, company CO2 emissions and management of waste, etc.),

- responsibility towards workers ethics and working conditions of the production chain, treatment of employees – safety, well-being, diversity, employee representation, wages, quality of products or services sold, etc.) and,
- societal responsibility (Product quality, safety and traceability, respect of local communities and human rights, etc.

Each pillar is rated independently by the Investment Manager and weighted in accordance to how material it is for the targeted company. Each pillar is broken down into a set of criteria, selected in accordance to the materiality (correlation with the economic performance), which are around 25 in total (as listed in the below table). Those criteria can be quality of board assessment, CEO remuneration, impact on biodiversity, climate policy and energy efficiency, etc.

| | | |
|--|--|--|
| Shareholder Responsibility | Respect for minority | Control structure |
| | | Poison pill, limitation of votes |
| | Quality of Management | Size and composition of the ExCom |
| | | Rotation of leaders, checks and balances |
| | | Quality of the strategy |
| | Independence of Board and committees | Independence rate of the Board and its committees |
| | | Separation of powers of the CEO/Chair |
| Composition and size of the Board, fees and attendance | | |
| CEO compensation | Transparence of compensation | |
| | Variable compensation consistent with objectives and results | |
| Accounting Risks | ESG criteria in the variable compensation | |
| | History of accounting irregularities (10 years) | |
| | Change in accounting methods/reporting | |
| Quality of financial reporting | Independence of the statutory auditors | |
| | Trust in guidance and transparency | |
| | Profit warning history | |
| | Access to management | |
| Environmental Responsibility | Environmental management | Environmental Management System (EMS) and reporting scope |
| | | Quality and consistency of reporting, quantified objectives |
| | Climate policy and energy efficiency | Governance: dedicated director |
| | | Implementation of an energy efficiency policy |
| | Regulation and certification | Precise reporting and quantified objectives (scope 1, 2 and 3, CO2 emissions, carbon intensity) |
| | | Perimeter of the environmental certification process |
| | | Integration of regulations related to the sector |
| Impact on biodiversity and externalities | Revenue associated with green/brown activities | |
| | Management of positive contributions to biodiversity and reporting | |
| | Integration of upstream issues in projects | |
| | History of accidents or pollution | |
| | Water consumption | |
| Employer Responsibility | Corporate culture and HR management | Waste recycling |
| | | HR's position in the company's hierarchy |
| | | Leadership and culture type |
| | Health and safety | Distribution of full-time employees (FTEs) |
| | | Employee share ownership |
| | | Establishment of committees and procedures for hygiene, safety and working conditions |
| | | Workplace accident history, lever of reporting (accident frequency, gravity, number of fatalities) |
| | | Transparency and scope of indicators |

| | | |
|---|---|---|
| Societal Responsibility | Labor relations and working conditions | Quality of social dialogue, average absenteeism, turnover rates |
| | | History of employee conflicts |
| | Training and career management | Quality of working conditions and compliance with legislation |
| | | Training pan and age pyramid |
| | | Sector-specific transition issues |
| | Promoting diversity | Employee seniority and internal mobility policy |
| | | Training budget, number of training hours/employee |
| | | Share of women among employees |
| | Attractiveness and recruitment | Share of women on management teams |
| | | Promotion of local managers |
| | | Attractiveness of the sector and the company (Glassdoor rating, average salary/FTE) |
| | Product quality, safety and traceability | Talent attraction program |
| | | Ability to hire people with key skills |
| | | Product quality control process |
| Innovation capacity and pricing power | History of quality defects | |
| | Consumer safety issues | |
| | Internal or external R&D management | |
| Supply chain management | Employees dedicated to R&D, R&D budget | |
| | Pricing power and brand power | |
| | Supply chain control and model (integrated or heavy outsourcing), limitation of cascading suppliers | |
| Customer satisfaction and market share gains | History of supply chain failure | |
| | ESG included in the contracts with suppliers | |
| | Customer satisfaction monitoring policy, change in market share | |
| Respect for local communities and human rights | Organic growth trends | |
| | Quality of the B-to-B distribution network | |
| | Customer complaint history | |
| Cybersecurity & the protection of personal data | Respect for human rights, facilitating the right to operate | |
| | Integration of local communities | |
| | History of local conflicts | |
| Corruption and business ethics | Use of personal data as a business model | |
| | Protection of sensitive data and privacy | |
| | Protection mechanisms against cyber attacks | |
| | | Governance and corruption prevention process |
| | | Operations in high-risk countries |
| | | History of corrupt or unethical practices |

Moreover, the monitoring of the level of controversy is taken into account directly in the corporate responsibility and may affect the rating.

In addition, the Investment Manager assesses companies' exposure to 'Transition to a Sustainable Economy'. This score is based on five pillars: (i) demographic transition, (ii) healthcare transition, (iii) economic transition, (iv) lifestyle transition, and (v) ecologic transition.

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

The Methodology will also take into account the intensity of companies' greenhouse gas emissions. The strategy implemented aims to achieve a weighted average greenhouse gas emissions intensity (scope 1 and 2) of the selected companies that is 30% lower than the weighted average greenhouse gas emissions intensity of the Index.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Sub-Fund applies at all times the binding elements of the investment strategy described below:

a) Sector exclusions

In accordance with the Societe Generale group's Defense Sector Policy, which meets the obligations of the Ottawa (1999) and Oslo (2008) conventions applicable to all French management companies, companies involved in activities related to weapons prohibited or controversial (anti-personnel mines, cluster bombs, depleted uranium weapons), are excluded from the Investment Universe.

In accordance with the Societe Generale Group's "thermal coal" sector policy, companies whose turnover is more than 10% linked to the extraction of thermal coal are excluded from the Investment Universe, as well as companies active in the energy sector and more than 30% of whose electricity production comes from coal.

In accordance with the Societe Generale Group's "tobacco" sector policy, tobacco-producing companies are excluded from the Investment Universe.

The Sub-Fund also excludes from the Investment Universe producers and distributors (i.e. mills, traders and refiners) of palm oil from the first euro of turnover on this activity, with the exception of palm oil producers that are palm oil certified by the Roundtable on Sustainable Palm Oil, RSPO (Roundtable Sustainable Palm Oil) with a certification level of 70% minimum and with a commitment to be at 100% before 2030.

In accordance with the Societe Generale Group's "unconventional oil and gas" sector policy, the Sub-Fund excludes from the Investment Universe companies whose turnover is more than 10% related to exploration and the production of oil sands, oil or gas produced in the Arctic, or shale oil or gas.

In addition and with regard to the investment policy of the Management Company, companies whose controversy rating is very severe (red) according to the MSCI nomenclature are excluded from the Investment Universe. The controversy rating is in particular a warning measure of the reputational and operational risks to which companies are exposed when they directly or indirectly contravene the 10 main principles of the United Nations Global Compact (UNGC) in terms of human rights, international standards of labour, environment and anti-corruption. A very severe controversy can potentially result in heavy financial penalties.

b) Exclusion policy of the Investment Manager:

*Exclusions based on United Nations Global Compact breaches: after analysis and decision by the Investment Manager, companies are listed by the Investment Manager on a "worst offenders" list and excluded from all portfolios

*Exclusions related to the Investment Manager engagement to disinvest in non-conventional oil and gas activities and coal activities based on sector activities, according to the table below:

| Activities | Exclusion from March 2022 | Issuers having their registered office in the European Union or in the EOCED | | Issuers having their registered office outside of the EOCED | |
|------------|---------------------------|--|------------------------------|---|------------------------------|
| | | Exclusion from December 2027 | Exclusion from December 2030 | Exclusion from December 2030 | Exclusion from December 2040 |
| | | | | | |

| | | | | | |
|--|--------------------------|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|
| Thermal Coal Production | From 10% of the revenues | From 5% of the revenues | Definitive exit (0% of the revenues) | From 5% of the revenues | Definitive exit (0% of the revenues) |
| Coal-based electricity generation | From 10% of the revenues | From 5% of the revenues | Definitive exit (0% of the revenues) | From 5% of the revenues | Definitive exit (0% of the revenues) |
| Activities | | Exclusion from December 2030 | Exclusion from December 2040 | Exclusion from December 2030 | Exclusion from December 2040 |
| Production of unconventional oil of gas | From 10% of the revenues | From 5% of the revenues | Definitive exit (0% of the revenues) | From 5% of the revenues | Definitive exit (0% of the revenues) |

*Exclusions of issuers which have a "Severe Risk" profile in terms of Corporate Responsibility & Sustainability: This category represents companies with a Corporate Responsibility Rating below 2 out of 10 within the Investment Manager internal rating,

*Sectorial exclusion as defined in the Management Company's Exclusion Policy.

The above-mentioned applied exclusions which are further detailed in the Investment Manager's "Exclusion Policy" and "Responsible Investor Policy" are binding and further details thereon are available on the website of the Investment Manager (<https://www.dnca-investments.com/lu/areas-of-expertise/sri>).

Moreover, a strict controversial weapons exclusion and sectorial exclusion policy is implemented and is available on the website of the Investment Manager (<https://www.dnca-investments.com/lu/areas-of-expertise/sri>).

Details of the Sub-Fund's exclusion policy are also available from the Management Company upon request.

c) GHG intensity:

The Methodology takes into account the intensity of companies' greenhouse gas emissions and aims to achieve a weighted average greenhouse gas emissions intensity (scope 1 and 2) of the selected companies that is 30% lower than the weighted average greenhouse gas emissions intensity of the Index.

Limit of the Methodology:

The approach to SRI analysis of issuers implemented by the Investment Manager is based on a qualitative analysis of their environmental, social and governance practices. However, several limitations to this approach can be identified. Some limits are linked to the Investment Manager's Methodology, but others are also more broadly linked to the quality of the information available on these subjects. Although constantly improving, companies' ESG reporting is still patchy and heterogeneous. The investment process of the Investment Manager aims to select companies according to a dual approach that is rigorous but likely to induce sectoral biases. The "Best-in-Universe" approach leads to the selection of the best-rated companies within the Investment Universe. Regarding the monitoring of controversies, it remains an evaluation exercise where the best means are implemented to exclude companies that are controversial or at risk of controversy, a risk nevertheless likely to persist given the impossibility prevent all controversies in an exhaustive manner.

What is the policy to assess good governance practices of the investee companies?

Governance is one of the assessment axes of the Corporate Responsibility: 'Shareholder Responsibility'. It is rated out of 10 based on the following criteria:

- sound management structures (i.e. the quality of the management the board and committees of the issuer),
- overall issuers' remuneration of staff (focusing on the CEO's remuneration) and tax compliance (alignment of the tax rate with the local economic presence, presence in tax havens, change in the tax rate over 10 years),
- a good employee relation,
- the quality of the financial communication,
- the accounting risks and
- the respect for minority shareholders.

Around thirty KPIs allow the assessment of the governance practices associated with these 6 criteria. In addition, controversies related to the good governance practices impact the overall rating.

Is there a commitment to reduce by a minimum rate the scope of investments considered prior to the application of the strategy? (Including an indication of the rate)?

Yes

No

The extra-financial analysis applied by the Investment Manager on the Portfolio will lead to exclude at least 20% of the initial Investment Universe.

Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No

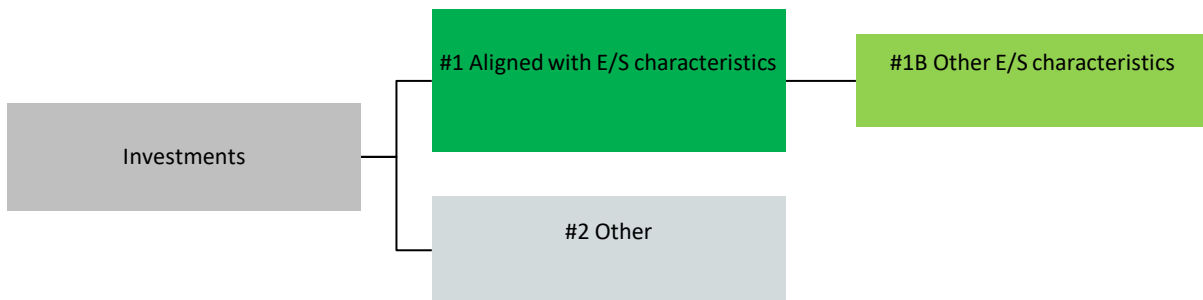
E. PROPORTION OF INVESTMENTS

What is the planned asset allocation for this financial product?

The Sub-Fund has a variable economic exposure (via derivatives) to the Portfolio and, 90% the equities composing the Portfolio do benefit from an extra-financial analysis (“#1 Aligned with E/S characteristics”). As the Sub-Fund is synthetic, in case of swap counterparty default, the Sub-Fund will be exposed to government bonds as collateral.

Consequently as a result of such variable exposure, at least 50% of the Sub-Fund’s net assets are subject to an extra-financial analysis or rating by the Management company, under normal market circumstances.

The “#2 other” assets may consist of investments in liquidity, capital instruments or debt, derivatives and collective investment undertakings that do not promote environmental or social characteristics and that are used to achieve the financial objective of the sub-fund and/or for diversification and/or hedging purposes.



#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 sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? (including what methodology is used for the calculation of the alignment with the EU Taxonomy and why; and what the minimum share of transitional and enabling activities)?

N/A

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A

What is the minimum share of sustainable investments with a social objective?

N/A

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The “#2 Other” assets may consist of investments in liquidity, capital instruments or debt, derivatives and collective investment undertakings that do not promote environmental or social characteristics and that are used to achieve the financial objective of the sub-fund and/or for diversification and/or hedging purposes. No minimum environmental or social safeguards will be in place in relation to such assets.



F. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The promotion of the environmental and/or social characteristics of the Sub-Fund is measured by the following sustainability indicators:

- Corporate Responsibility Score: the main sustainability indicator used by the Sub-Fund is the scoring based on the corporate responsibility and divided into four pillars: (i) shareholder responsibility, (ii) environmental responsibility, (iii) employer responsibility, and (iv) societal responsibility.
- Transition to a Sustainable Economy Score: the Investment Manager completes this analysis by an assessment of companies' exposure to 'Transition to a Sustainable Economy'. This score is based on five pillars: (i) demographic transition, (ii) healthcare transition, (iii) economic transition, (iv) lifestyle transition, and (v) ecologic transition.
The Investment Manager uses a proprietary tool 'Above and Beyond Analysis' (ABA) in relation to such scorings.

This extra-financial analysis will retain the issuers with the low-risk profile in terms of corporate responsibility and sustainability, by excluding at least 20% of the issuers comprising the Investment Universe with the lowest rating (rating below 2/10 in the proprietary tool) or exposed to major controversies. More than 90% of the equities composing the Portfolio do benefit from an internal scoring.

- GHG intensity: The strategy implemented by the Sub-Fund aims to achieve a weighted average greenhouse gas emissions intensity (scope 1 and 2) of the selected companies that is 30% lower than the weighted average greenhouse gas emissions intensity of the Stoxx Europe 600 Index (SXXR).
- Exposure to UN Sustainable Development Goals: the Investment Manager assesses for each company the part of revenues linked to one of the 17 Sustainable Development Goals of United Nations.
- Carbon footprint (t CO₂/m\$ invested) of the Portfolio
- Carbon intensity (t CO₂/m\$ revenues) of the Portfolio
- Very Severe Controversy: the Sub-Fund promotes the respect of certain norms and values, by excluding companies with very severe level of social or environmental controversies or involved in controversial weapons.
- Controversial Activities: for some other controversial activities, such as tobacco, coal or defence, the Sub-Fund applies maximum revenue percentage thresholds.

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

Monitoring by SG IS (France) risk management

The risk department of the management company monitors the overall financial and non-financial parameters of the portfolio.

The non-financial part (ESG) is monitored on a monthly basis:

- Check that no controversy Red Flag is present in the portfolio
- Check that no MSCI CCC and B ratings is present in the portfolio
- Activity and Sector exclusions check.

If the position does not pass one of these controls, the risk department alerts the portfolio management team, which processes to the divestment process as described below. The Portfolio management team will also take into consideration the liquidity of the issue and the market conditions.



G. METHODOLOGIES

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

All the binding elements and sustainability indicators are measured on a monthly basis by SG IS (France) risk management team. If the values are in line with the objectives (indicators at 0% or above pre-defined thresholds), the environmental and social characteristics promoted of the sub-fund will be considered as attained.



H. DATA SOURCES AND PROCESSING

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

The management company has established a number of partnerships to access non-financial research:

- The Sub-Fund's ESG analysis relies on external data providers (MSCI, Bloomberg)
- Services of a proxy voting advisor (ISS) for research on company governance (as part of SG29H's Engagement and Voting Policy).
- SG29H uses the Carbon database provided by MSCI.

The management team also has multiple sources of external ESG information (brokers' extra-financial research).



I. LIMITATIONS TO METHODOLOGIES AND DATA

What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

The investment process is based on qualitative and quantitative research based solely on the raw data published by companies. Thus, a first limit consists in the reliability of the published data based on credibility and the audit of non-financial reports of companies.

In addition, the Sub-Fund's ESG methodology is a proprietary and transparent methodology but is not based on any international standards. For this reason, maximum transparency on all the indicators used in the calculations is mandatory and an integral part of the management process. As regards the monitoring of controversies, it remains an evaluation exercise in which the best means are put in place to exclude from management companies that are controversial or at risk of controversy. Nevertheless, a limit lies in the impossibility of preventing all controversies and thus displaying a zero risk on this point.



J. DUE DILIGENCE

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

The risk department of the management company monitors the overall financial and non-financial parameters of the portfolio.

The non-financial part (ESG) is monitored monthly:

- Check that no controversy Red Flag is present in the portfolio
- Check that no MSCI CCC and B ratings is present in the portfolio
- Activity and Sector exclusions check.

If the position does not pass one of these controls, the risk department alerts the portfolio management team, which processes to the divestment process as described below. The Portfolio management team will also take into consideration the liquidity of the issue and the market conditions.



K. ENGAGEMENT POLICIES

Is engagement part of the environmental or social investment strategy?

- Yes
 No

If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)

N/A



L. REFERENCE BENCHMARK

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

- Yes
 No

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