



Transparency Code

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Updated June 2023

DECLARATION OF ENGAGEMENT

Mandarine Gestion has been involved in SRI since 2009 with the launch of its first SRI fund “Mandarine Engagements”. This adherence to the SRI Transparency Code covers the period from 1 January 2023 to 31 December 2023. Our full response to the Code can be found on our website and can be found in the annual report of each of the following funds:

- **Mandarine Entrepreneurs;**
- **Mandarine Opportunités;**
- **Mandarine Europe Microcap;**
- **Mandarine Global Transition;**
- **Mandarine Valeur;**
- **Mandarine Unique Small & Mid Caps Europe;**
- **Mandarine Social Leaders;**
- **Mandarine Global Sport;**
- **Mandarine Equity Income;**
- **Mandarine Global Climate Action**

COMPLIANCE WITH THE TRANSPARENCY CODE

The management company Mandarine Gestion considers transparency to be essential, given the regulatory and competitive environment in force in the State in which we operate.

The funds listed above comply with all the recommendations of the Code.

1. THE FUNDS COVERED BY THIS TRANSPARENCY CODE

Name	Legal form	AMF classification	Reference index	Type	SRI typology	Architecture
Mandarine Entrepreneurs	Fonds Commun de Placement (mutual fund)	French equities	CAC Mid & Small NR	UCITS V	Best in Universe	Master
Mandarine Social Leaders	Sub-Fund Mandarin Funds Luxembourg SICAV	Equities of countries in the eurozone	EUROSTOXX NR EUR	UCITS V	Best in Universe	Master
Mandarine Opportunités	Fonds Commun de Placement (mutual fund)	French equities	CAC All-Tradable NR	UCITS V	Best in Universe	Master
Mandarine Europe Microcap	Sub-Fund Mandarin Funds Luxembourg SICAV	Not applicable	MSCI Europe Microcap NR	UCITS V	Best in Class	N/A
Mandarine Global Transition	Sub-Fund Mandarin Funds Luxembourg SICAV	International equities	MSCI ACWI NR	UCITS V	“Energy and ecological transition” thematic and impact approach	N/A
Mandarine Valeur	Fonds Commun de Placement (mutual fund)	European equities	STOXX® Europe 600 NR EUR	UCITS V	Best in Universe	N/A
Mandarine Unique Small & Mid Caps Europe	Sub-Fund Mandarin Funds Luxembourg SICAV	European equities	STOXX® Europe Small 200 (EUR) Net Return	UCITS V	Best in Universe	N/A
Mandarine Global Sport	Sub-Fund Mandarin Funds Luxembourg SICAV	International equities	MSCI ACWI NR	UCITS V	Best in Universe	N/A
Mandarine Equity Income	Fonds Commun de Placement (mutual fund)	European equities	STOXX® Europe 600 Net Return EUR	UCITS V	Best in Universe	N/A
Mandarine Global Climate Action	Sub-Fund Mandarin Funds Luxembourg SICAV	International equities	MSCI World Net Return EUR	UCITS V	Best in Class	N/A

1.1. Mandarin Social Leaders sub-fund of the SICAV Mandarin Funds

Dominant approach(es)	Classification	Exclusions applied by the funds	Fund assets as at 31/12/2022	Labels	Links
Best in Universe Exclusion Commitment	Equities of countries in the eurozone	Sectoral exclusion: Weapons Controversial Exclusion by exceeding the turnover exposure threshold: Armaments GMO Nuclear Violation of the principles of the United Nations Global Compact Securities exposed to level 5 controversies (scale 1 to 5, source Sustainalytics)	€265 M	SRI label Austrian Eco-label (Umweltzeichen) German FNG label (Forum Nachhaltige Geldanlagen/ Sustainable Investment Forum)	KIID SRI Reporting Annual report Monthly Reporting

1.2 Mandarin Opportunités

Dominant approach(es)	Classification	Exclusions applied by the funds	Fund assets as at 31/12/2022	Labels	Links
Best in Universe Exclusion Commitment	French equities	Controversial weapons Violation of the principles of the United Nations Global Compact Securities exposed to level 5 controversies (scale 1 to 5, source Sustainalytics)	€290 M	SRI label	KIID SRI Reporting Annual report Monthly Reporting

1.3 Mandarine Entrepreneurs

Dominant approach(es)	Classification	Exclusions applied by the funds	Fund assets as at 31/12/2022	Labels	Links
Best in Universe Exclusion Commitment	French equities	Controversial weapons Violation of the principles of the United Nations Global Compact Securities exposed to level 5 controversies (scale 1 to 5, source Sustainalytics)	€73 M	SRI label	KIID SRI Reporting Monthly Reporting

1.4 Mandarine Europe Microcap sub-fund of the SICAV Mandarine Funds

Dominant approach(es)	Classification	Exclusions applied by the funds	Fund assets as at 31/12/2022	Labels	Links
Best in class	European equities	Controversial weapons Violation of the principles of the United Nations Global Compact Securities exposed to level 5 controversies (scale 1 to 5, source Sustainalytics)	€235 M	SRI label	KIID SRI Reporting Monthly Reporting

1.5 Mandarin Global Transition sub-fund of the SICAV Mandarin Funds

Dominant approach(es)	Classification	Exclusions applied by the funds	Fund assets as at 31/12/2022	Labels	Links
Theme: ecological and energy transition	International equities	<p>Nuclear</p> <p>Conventional and unconventional fossil fuels</p> <p>Controversial and conventional weapons</p> <p>Genetic engineering</p> <p>Violation of the principles of the United Nations Global Compact</p> <p>Tobacco</p> <p>Adult entertainment</p> <p>Securities exposed to level 5 controversies (scale 1 to 5, source Sustainalytics)</p>	€403 M	<p>Greenfin Label</p> <p>Umweltzeichen Austrian Ecolabel</p> <p>FNG Label</p>	<p>KIID</p> <p>Monthly Reporting</p>

1.6 Mandarin Valeur

Dominant approach(es)	Classification	Exclusions applied by the funds	Fund assets as at 31/12/2022	Labels	Links
Best in Universe	European equities	<p>Controversial weapons</p> <p>Violation of the principles of the United Nations Global Compact</p> <p>Securities exposed to level 5 controversies (scale 1 to 5, source Sustainalytics)</p>	€404 M	SRI label	<p>KIID</p> <p>SRI Reporting</p> <p>Monthly Reporting</p>

1.7. Mandarin Unique Small & Mid Caps Europe sub-fund of the SICAV Mandarin Funds

Dominant approach(es)	Classification	Exclusions applied by the funds	Fund assets as at 31/12/022	Labels	Links
Best in Universe	European equities	<p>Controversial weapons</p> <p>Violation of the principles of the United Nations Global Compact</p> <p>Securities exposed to level 5 controversies (scale 1 to 5, source Sustainalytics)</p>	€286 M	SRI label	<p>KIID</p> <p>SRI Reporting</p> <p>Monthly reporting</p>

1.8 Mandarin Global Sport sub-fund of the Mandarin Funds SICAV

Dominant approach(es)	Classification	Exclusions applied by the funds	Fund assets as at 30/12/2022	Labels	Links
<p>Exclusion</p> <p>Best in Universe</p>	Global equities	<p>Controversial weapons</p> <p>Violation of the principles of the United Nations Global Compact</p> <p>Securities exposed to level 5 controversies (scale 1 to 5, source Sustainalytics)</p> <p>Football clubs</p> <p>Firearms</p> <p>Fiscally non-cooperative countries</p>	€20 M	SRI label	<p>KIID</p> <p>Monthly Reporting</p> <p>SRI Reporting</p>

1.9 Mandarin Equity Income

Dominant approach(es)	Classification	Exclusions applied by the funds	Fund assets as at 30/12/2022	Labels	Links
Best in Universe	European equities	<p>Controversial weapons</p> <p>Violation of the principles of the United Nations Global Compact</p> <p>Securities exposed to level 5 controversies (scale 1 to 5, source Sustainalytics)</p>	€57 M	SRI label	<p>KID</p> <p>Monthly Reporting</p> <p>SRI Reporting</p>

1.10 Mandarin Global Climate Action sub-fund of the SICAV Mandarin Funds

Dominant approach(es)	Classification	Exclusions applied by the funds	Fund assets as at 30/12/2021	Labels	Links
Best in Class	Global equities	<p>Controversial weapons</p> <p>Violation of the principles of the United Nations Global Compact</p> <p>Securities exposed to level 4 and 5 controversies (scale 1 to 5, source Sustainalytics)</p>	€0 M	SRI label	<p>KIID</p> <p>Monthly Reporting</p> <p>SRI Reporting</p>

2. GENERAL DATA ON THE MANAGEMENT COMPANY

2.1. MANAGEMENT COMPANY

This Code is intended to apply to Mandarin Entrepreneurs, Mandarin Social Leaders, Mandarin Opportunités, Mandarin Europe Microcap, Mandarin Valeur, Mandarin Unique Small & Mid caps Europe, Mandarin Global Sport, Mandarin Equity Income and Mandarin Global Climate Action managed by the portfolio management company Mandarin Gestion.

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2.2. & 2.3. HISTORY, PRINCIPLES AND FORMALISATION OF THE RESPONSIBLE INVESTOR APPROACH

Mandarine Gestion is historically committed to SRI. In the spirit of the definition of SRI adopted by the AFG and the FIR, Mandarine Gestion seeks to "reconcile economic performance with social and environmental impact by financing companies that contribute to sustainable development, whatever their sector of activity"¹.

Mandarine Gestion, a signatory and adherent since January 2012 of the Principles for Responsible Investment (Principes pour l'Investissement Responsable, PRI), as an Investment Manager, is committed to taking ESG issues into account in its various UCIs.

Mandarine Gestion is a member of the Forum for Responsible Investment (Forum pour l'investissement Responsable, FIR) and is part of its Dialogue and Engagement Committee. Mandarine Gestion has been an active member of the Responsible Investment Technical Committee of the French asset management association (AFG) from the outset.

As part of its responsible investor approach, Mandarine Gestion has implemented an exclusion policy:

✓ General exclusions

Mandarine Gestion thus excludes the following activities for its entire range:

- Any direct investment in companies involved in the manufacture of or trade in anti-personnel mines and cluster munitions, in accordance with the Ottawa and Oslo Conventions;
- Companies producing or trading in chemical, biological and depleted uranium weapons;
- Companies that commit a serious or repeated violation of one or more of the 10 principles of the UN Global Compact;
- Companies subject to the most serious controversies (level 5 on a scale of 1 to 5, according to research provided by Sustainalytics);
- Companies or sectors considered to be particularly exposed to sustainability risk according to a so-called "SRI" indicator (Synthetic Sustainability Risk Indicator) for each investment in the portfolios.

Mandarine Gestion excludes all activities related to coal mining and coal-based energy production according to thresholds set out in the [Fossil fuels policy](#). Mandarine Gestion's coal policy applies to all UCITS and dedicated funds managed by the company. In this context, Mandarine Gestion undertakes to cease all investments or to discontinue the holding of shares in companies exposed to coal by 2030.

For its entire range of UCIs, Mandarine Gestion will identify any exposure from the first euro of turnover or capital employed in companies active in the fossil fuel sector, as well as any other activity in the fossil fuel value chain, whether upstream and midstream. Companies in the downstream sector are not included in this policy but may be included on a case-by-case basis.

¹ definition of SRI adopted on 2 July 2013 by the AFG and the FIR

✓ Targeted exclusions

In parallel, Mandarine Gestion has deployed targeted sector-specific exclusion policies, the typologies of which are described in part 1 above.

As a responsible and long-term investor, these sector-specific exclusions were motivated by the following considerations:

- Risks related to climate change, including physical risks and transition risks;
- Risk of reputation or damage to the company's image;
- Ethical risk.

Mandarine Gestion has set out and updates its [shareholder and voting](#) engagement policy annually. The policy is available on its website.

The SRI fund range at the date of writing of this transparency code is made up of Mandarine Entrepreneurs, Mandarine Social Leaders, Mandarine Opportunités, Mandarine Europe Microcap, Mandarine Valeur, Mandarine Unique Small & Mid caps Europe and Mandarine Global Sport. The research is carried out internally, notably with the support of the analyses of the non-financial rating agencies Ethifinance, Sustainalytics, Trucost and Bloomberg.

Our responsible investment approach is detailed at the following link: <https://www.mandarine-gestion.com/FR/fr/demarche-responsable>

2.4. INTEGRATION OF ESG RISKS/OPPORTUNITIES INCLUDING THOSE RELATED TO CLIMATE ISSUES

All of Mandarine Gestion's equity funds benefit from ESG analysis and ESG reporting, with the exception of the Mandarine Global Microcap fund, a sub-fund of the Mandarine Funds SICAV.

In addition to funds that have an SRI filter in the management process and the two Solidarity funds with their own analysis system, Mandarine Gestion has developed a comprehensive approach to integrating Environmental, Social and Governance (ESG) issues. The non-financial information provides an additional analysis of the companies monitored by the managers. Our objective is to offer a cross-cutting vision of ESG issues to all of the management team as a complement to financial analysis. The non-financial analysis is centralised in the ESG-View tool (proprietary ESG database) which conveys the information to each managers' portfolio management tool. The latter thus have direct and permanent access to non-financial analyses and ratings for each portfolio position.

Controversies are subject to further analysis when they impact a company. This work is based, in particular, on the data collected by brokers, the media and possibly Sustainalytics.

All of these ESG risks and opportunities allow us to adjust the ESG ratings of the companies we analyse upwards or downwards and may change an eligibility in the SRI fund management process.

The following are analysed within the four pillars (non-exhaustive list of indicators):

✓ Environment

Environmental policy, biodiversity impact, energy mix, air and soil pollution, use of natural resources, alignment of activities with recognised climate scenarios, etc.

✓ Social

Turnover, accident rate, employee training, career development, management and organisation model, workforce diversity, employee shareholding, etc.

✓ Governance

Composition and functioning of the Board of Directors, succession planning, responsible restructuring, minority shareholder rights, executive compensation, etc.

✓ Stakeholders

Quality of products offered and customer service, responsible purchasing policy, monitoring of the value chain, human rights policy in direct activities and across the value chain, formalised commitments, monitoring of UN recommendations, stakeholder management, collaboration with NGOs, exposure in sensitive countries, inclusion and development programmes for local communities, etc.

The Mandarin Gestion ESG rating is the equal-weighted average of the four indicators. It ranges from [-2 to +2], refined as the rating agencies' ratings are updated, in line with current events and meetings between the ESG team and companies.

Focus on environmental criteria and climate risks

Mandarine Gestion has decided to measure the carbon footprint of its portfolios.

The portfolio's carbon footprint (Mt CO2e/€ Mn invested) is one of the means of measuring the impact of a portfolio's investments in climate risk. Although it does not in itself summarise the impact of the fund in terms of the fight against global warming, the carbon footprint is a useful measurement: it enables the holders of our funds to know the emissions for which they are responsible via their equity holdings.

In each case, the carbon footprint is the weighted average of greenhouse gas emissions corresponding to the direct activities of the companies (scope 1), those related to the consumption of electricity, heat or steam required for the manufacture of the products (scope 2) and those related to first-rank suppliers with whom the company has direct relationships (part of upstream scope 3).

The calculation of the carbon footprint reflects CO2 emissions at a given time, and does not measure a portfolio's potential alignment with a typical climate scenario of +2°C by 2100. This indicator was selected because it is a mature metric and is used by a number of asset managers in the market, thus offering better comparability of the measurements made. It makes it possible to understand the transition risk, i.e. the risk of a regulation on the fixing of a price per tonne of CO2.

Greenhouse gas emissions data is provided by Trucost. They are taken from the annual or sustainable development reports of companies, the international organisation CDP (Carbon Disclosure Project) as well as estimates based on the activity sectors of the companies. The carbon footprint of funds that comply with this Code of Transparency is measured monthly.

In addition to the carbon footprint, and in particular for the Mandarin Global Transition fund, other climate factors are calculated every month:

- Alignment of the portfolio with the Paris Agreement (or portfolio temperature)
- Portfolio exposure to European Taxonomy
- Share of companies having submitted a climate scenario to the SBTi

Comitology

ESG analysis is conveyed throughout the company by the ESG expertise centre and is part of an integrated comitology at all hierarchical levels:

Committees	Speakers	Purpose (related to the ESG analysis)	Frequency
ESG Committee	Managing Director, Director of Marketing and Communication, ESG Research Manager.	Update on Mandarin Gestion's ESG strategy.	Fortnightly
ESG Review Committee	Managing Director, Chairman, Sales Team, Management Team, Marketing and Communication Team, ESG Expertise Unit	ESG news presentation, ESG thematic/sectoral analysis, ESG portfolio analysis.	Quarterly
Management Board	President, Managing Director, Sales Team, Management Team, Marketing and Communication Team, ESG Expertise Centre.	Presentation of ESG news on sectors and stocks in the portfolio	Fortnightly
Management Committee	All fund managers of the Mandarine Gestion range of funds, ESG Expertise Unit	ESG news from the portfolio companies Update on controversies	Weekly

Compliance and Quality Assurance Committee	Legal Department, Risk Controller, Director of Operations and Systems, ESG Expertise Department.	Update on ESG analysis regulation, report on the proper application of the ESG strategy in management.	Monthly
Extra-Financial Supervisory Committee	Risk Director, Legal Director, Operations and Systems Director, Business Development Director, ESG Expertise Centre	Compliance with ESG ratios, corporate exclusions, constraints related to European labels, lists of controversies and reputation, monitoring of sustainable finance regulations.	Monthly

2.6. HUMAN RESOURCES USED

Mandarine Gestion has set up an expertise unit consisting of an ESG Research manager and an ESG analyst. The ESG expertise unit also uses interns to complete the work carried out, which is equivalent to 2.5 FTEs per year.

Mandarine Gestion has developed a global approach to ESG issues. All Mandarine Gestion managers have access to a cross-sectional view of ESG issues, via a redistribution of information in the MyP portfolio management tool of each manager, and direct and permanent access to the extra-financial analyses and ratings of the portfolio lines.

2.7. RESPONSIBLE INVESTMENT INITIATIVES AT MANDARINE GESTION

Mandarine Gestion is a member of the Forum for Responsible Investment (Forum pour l'investissement Responsable, FIR) and is part of its Dialogue and Engagement Committee. Mandarine Gestion has been an active member of the Responsible Investment Technical Committee of the French asset management association (AFG) from the outset.



2.8. SRI ASSETS

SRI-certified assets under management as at 31/12/2022 amounted to: €2,325 million.

Including the Mandarin Global Transition fund labelled “Greenfin” and “Umweltzeichen”, assets under management as at 31/12/2022 of certified funds amounted to €3,062 million.

2.9. SRI ASSETS IN RELATION TO TOTAL ASSETS UNDER MANAGEMENT

At the end of 2022, the share of SRI assets relative to total assets under management was 76%.

2.10. LABELLED FUNDS OPEN TO THE PUBLIC

Mandarine Gestion publishes on its [website](#) the list of certified funds open to the public:

- Mandarin Entrepreneurs (SRI and Relance labels)
- Mandarin Social Leaders (ISR, FNG and Umweltzeichen labels)
- Mandarin Opportunités (ISR label)
- Mandarin Valeur (SRI label)
- Mandarin Europe Microcap (SRI label)
- Mandarin Global Transition (Greenfin, FNG and Umweltzeichen labels)
- Mandarin Unique Small & Mid Caps Europe (SRI label)
- Mandarin Global Sport (SRI label)

3. GENERAL DATA ON THE FUNDS PRESENTED IN THIS TRANSPARENCY CODE

3.1. OBJECTIVES RESEARCHED BY TAKING INTO ACCOUNT ESG CRITERIA WITHIN THE FUNDS

In the spirit of the definition of SRI adopted on 2 July 2013 by the AFG and the FIR, Mandarine Gestion “reconciles economic performance with social and environmental impact by financing companies and public entities that contribute to sustainable development, whatever their sector of activity. By influencing governance and the behaviour of stakeholders, SRI fosters a responsible economy”.

The main objective of our engagement policy is to improve the environmental, social and governance (ESG) practices of the companies in which we are shareholders or are likely to become shareholders. The SRI funds in this Code are invested in companies that best address environmental, social and governance issues, regardless of their sector of activity.

Investment in companies requires the implementation of a specific ESG filter for each fund. The relationship with shareholders, the functioning of governance bodies, working conditions, skills development, environmental policy and stakeholder relations are among the major points of attention in ESG ratings of companies.

✓ **Mandarine Social Leaders**

The aim of the Sub-Fund is to provide investors with long-term capital growth from a diversified portfolio and to outperform the EURO STOXX® Net Return (EUR) (the “Index”) by selecting, through an active stock-picking strategy, companies in the eurozone that meet positive ESG criteria and have an above-average growth profile.

The investment strategy is based on the selection of eurozone growth companies of all capitalisations which are delivering above-average growth in terms of their results and margins, and which have the potential to increase in value. To reconcile the search for performance with the development of socially responsible practices, the management team uses financial analysis combined with restrictive extra-financial screening based on Environmental, Social and Governance (ESG) criteria applied upstream. The extra-financial rating focuses on criteria other than economic factors to assess the environmental, social or governance behaviour of companies in order to assess and measure the exercise of their responsibility towards the environment and their stakeholders (employees, partners, subcontractors and customers, etc.).

✓ **Mandarine Opportunités**

The fund's objective is to achieve a performance, net of fees, higher than that of the CAC All Tradable NR index (dividends reinvested) over the recommended investment period of five years, by selecting, via an active "stock picking" strategy, French companies or companies listed in France that positively meet ESG criteria (Environmental, Social, Governance) according to a Best-in-Universe approach (ESG selection consisting of favouring, within the investment universe, the best rated issuers from a non-financial point of view, regardless of their sector of activity) and with an above-average growth profile according to the analysis of the management company. The process for managing the Fund is firmly based on the belief that a company's long-term market performance depends on the magnitude and quality of the growth it generates and the integration of ESG criteria into its strategy.

The fund aims to select more specifically companies with above-average earnings and margin growth and whose potential has not yet been anticipated by the market.

The initial universe is made up of French listed securities with a minimum market capitalisation of €500m in the SBF 250 index and subject to an extra-financial rating.

The investment process incorporates binding non-financial criteria in terms of Environmental, Social and Governance on the investment universe, through a filter called ESG-France. Issuers in the investment universe with an ESG-France rating are classified by quintile ranging from A to E. Issuers belonging to the A-B-C-D quintiles are eligible and pass through the ESG-France filter upstream of the investment process. Issuers classified as "E" are excluded from the investment universe; the ESG filter excludes 20% of issuers with an ESG-France rating. The ESG scores used are taken from Mandarine Gestion's proprietary tool called "ESG View". The portion of ESG-rated issuers in the Fund's portfolio (excluding IMM public debt or receivables and cash) will be above 90% in the long term.

✓ **Mandarine Entrepreneurs**

The fund is a French equity fund invested mainly in micro, small and mid-cap stocks for which the Fund has identified growth potential, by implementing a binding ESG (Environment, Social, Governance) strategy in accordance with a Best in Universe approach. The objective of the Fund managed on a discretionary basis is to outperform its benchmark, the CAC Mid & Small ® NR (dividends reinvested) index, over the recommended investment horizon of five years. However, the Fund's objective is not to replicate the performance of this index in any way.

The initial universe is made up of all French listed securities with a non-financial rating and French securities eligible for PEA/PMEs with or without a financial rating. The number of ESG-rated securities in this initial universe is around 300.

The investment process incorporates binding non-financial criteria in terms of Environmental, Social and Governance on the investment universe, through a filter called ESGFrance-Entrepreneurs. Issuers in the investment universe with an ESG-France rating are classified by quintile ranging from A to E. Issuers belonging to the A-B-C-D quintiles are eligible and pass through the ESG-France filter upstream of the investment process. Issuers classified as "E" are excluded from the investment universe; the ESG filter excludes 20% of issuers with an ESG-France rating. The ESG scores used are taken from Mandarine Gestion's proprietary tool called "ESG View". The portion of ESG-rated issuers in the Fund's portfolio (excluding IMM public debt or receivables and cash) will be above 90% in the long term.

For this purpose, the Fund will benefit from the expertise of Mandarine Gestion's ESG division, which provides the manager with non-financial information. From the list that has been drawn up, the management team selects ("stock-picking") and builds its portfolio on the basis of sector diversification.

✓ **Mandarine Europe Microcap**

Mandarine Europe Microcap selects small international companies with high growth potential. The fund focuses on companies with a market capitalisation of less than approximately €500 million and seeks to take advantage of market inefficiencies in this highly diversified asset class. Mandarine Europe Microcap implements a GARP ("Growth at A Reasonable Price") management style adapted to its investment universe characterised by growth and reasonable valuations.

The investment process includes binding non-financial criteria in terms of Environmental, Social, Governance and Stakeholders for the investment universe, through a filter called ESG-Microcaps. Issuers in the investment universe with an ESG-Microcaps rating are classified by activity sector (GICS level 2 classification) in quintiles ranging from A to E, according to a method known as Best-in-Class. Issuers belonging to the A-B-C-D quintiles are eligible and pass the ESG-Microcaps filter upstream of the investment process. Those rated “E” are excluded from the investment universe; the ESG filter excludes a minimum of 20% of issuers with an ESG-Microcaps rating. The ESG-Microcaps scores selected are obtained from an internal analysis based on companies' annual and sustainability reports. The ESG investment strategy does not induce sector bias relative to the Fund's benchmark. The portion of ESG-rated issuers in the Fund's portfolio (excluding IMM public debt or receivables and cash) will be above 90% in the long term.

✓ **Mandarine Global Transition**

The thematic approach involves investing in building a portfolio around companies, generally innovative companies, seeking to respond to major societal challenges: access to drinking water, ecological transition, climate transition, renewable energy, etc.

This non-financial approach is based on the selection of activities linked to sustainable development and the environment and, more specifically, to energy and the ecological transition. These so-called “Eco-Activities” produce goods and services for the protection of the environment or the management of natural resources, i.e. for the purpose of measuring, preventing, limiting or rectifying environmental damage to water, air and soil and problems relating to waste, noise and ecosystems for human well-being (international definition of the OECD and Eurostat).

These “Eco-Activities” are as follows:

- Energy
- Construction
- Waste management and pollution control
- Industry
- Clean transport
- Information and communication technologies
- Agriculture and forestry
- Adaptation to climate change.

Companies are evaluated based on the exposure of their turnover to Eco-Activities. There are three types of turnover exposure:

- o Type I companies: Minimum 50% of turnover
- o Type II company: 10% to 50% of turnover
- o Type III Company: Between 0 and 10% of turnover

✓ **Mandarine Valeur**

ESG criteria are incorporated into the fund's investment process using a “Best-in-Universe” approach. The process of selecting ESG securities is based on the collection of non-financial information on companies in the Fund's investment universe, made up of European issuers with a capitalisation greater than EUR 1 billion (at the time of the investment). The initial universe is made up of around 790 stocks. The number of ESG-rated stocks in this initial universe is around 790.

This ESG rating is made up of a “static” rating and a “dynamic” component (Best Effort) which takes into account the existence and improvement of best ESG practices over time. Mandarine Gestion's ESG unit performs a ESG analysis of companies, which results in a five-step ESG score from A (best score) to E (worst score).

The application of the ESG process results in a minimum 20% reduction in the ESG investment universe. Extra-financial scores may go up or down over time. They are reviewed at least every 12 months.

✓ **Mandarine Unique Small & Mid Caps Europe**

ESG criteria are integrated into the Sub-Fund's investment process according to a "Best-in-Universe" approach. The ESG process for the selection of securities is based on the collection of non-financial information about the companies in the investment universe. The Sub-Fund invests in small and mid-cap stocks defined by Morningstar's capitalisation limits, presenting four unit criteria according to a proprietary filter. The initial universe is made up of around 450 stocks. The number of ESG-rated stocks in this initial universe is around 450.

The ESG-Unique rating is calculated using a proprietary ESG filter. Mandarine Gestion's ESG unit performs a ESG analysis of companies, which results in a five-step ESG score from A (best score) to E (worst score).

The application of the ESG process results in a minimum 20% reduction in the ESG investment universe. Extra-financial scores may go up or down over time. They are reviewed at least every 12 months.

✓ **Mandarine Global Sport**

ESG criteria are incorporated into the Sub-Fund's investment process using a "Best-in-Universe" and "Exclusion" approach. The ESG process for the selection of securities is based on the collection of non-financial information about the companies in the investment universe. The fund invests in companies of all market capitalisations and all geographic areas. The starting universe is made up of companies with at least 30% of their turnover exposed to sport and is made up of around 420 stocks. All the companies in the initial universe are ESG rated.

The ESG rating comes from the ESG View tool developed by Mandarine Gestion. It is between -2 and +2 from a proprietary ESG filter. Mandarine Gestion's ESG unit performs an ESG analysis of companies when the information is not provided by the rating agencies.

The specific exclusions applied to the fund management process group together companies involved in the following activities: football clubs, firearms, companies whose head office is incorporated in non-fiscally cooperative countries.

The application of the ESG and climate processes results in a minimum 20% reduction in the ESG investment universe. Extra-financial scores may go up or down over time. They are reviewed at least every 12 months.

✓ **Mandarine Equity Income**

ESG criteria are integrated into the fund's investment process using a "Best-in-Universe" approach. The process of selecting ESG securities is based on the collection of non-financial information on companies in the Fund's investment universe, made up of European issuers with a capitalisation greater than EUR 1 billion. The initial universe consists of around 1,300 stocks. The number of ESG-rated stocks in this initial universe is around 1,100.

The ESG-Equity Income score is calculated using a proprietary ESG filter. Mandarine Gestion's ESG unit performs a ESG analysis of companies, which results in a five-step ESG score from A (best score) to E (worst score).

The application of the ESG process results in a minimum 20% reduction in the ESG investment universe. Extra-financial scores may go up or down over time. They are reviewed at least every 12 months.

✓ **Mandarine Global Climate Action**

ESG criteria are integrated into the fund's investment process using a "Best-in-Universe" approach. The process of selecting ESG securities is based on the collection of non-financial information on companies in the Fund's investment universe, made up of global issuers with all market capitalisations. The initial universe consists of around 5,000 stocks. Successive filters are applied at each stage of the investment process.

The first proprietary filter uses a series of indicators identified by the management company (CO2 emissions, water, waste, natural resources, etc.) and allowing the management team to select the largest emitters representing 80% of the overall volume for each indicator. After applying this first filter, the following are excluded from the universe of eligible securities: · stocks that have exposure or links to controversial weapons; · stocks associated with level 5 ESG controversies. Finally, a best-in-class ESG filter is applied to the remaining securities, around 1,000. This filter allows us to select the issuers with the best ESG practices (the best ratings) within their sector of activity. It is based on four pillars: Environment, Social, Governance and Stakeholders, with the "Environment" pillar underweighted. The last quintile (i.e. the 20% lowest rated companies) is excluded.

The ESG score is calculated using a proprietary ESG filter. Mandarine Gestion's ESG division carries out an ESG analysis which results in a five-level ESG rating for each company, from A (best rating) to E (worst rating).

The application of the ESG process results in a minimum 20% reduction in the ESG investment universe. Extra-financial scores may go up or down over time. They are reviewed at least every 12 months.

3.2. INTERNAL AND EXTERNAL MEANS USED TO CONDUCT THE ESG EVALUATION

✓ Internal means

Mandarine Gestion relies on its ESG expertise unit, which is comprised of 2.5 FTEs: The head of ESG Research, an ESG analyst and an intern.

✓ External means

Mandarine Gestion uses numerous external sources for companies (annual reports, sustainable development reports, reference documents, website, presentations to investors). Information from other stakeholders is also used, such as NGO reports or press articles. In addition, Mandarine Gestion relies on the research of recognised players in the ESG evaluation of companies: the Gaïa index (Ethifinance), Sustainalytics, Bloomberg, FactSet, Glassdoor, Trucost.

We also call upon Proxinvest's studies in the analysis of resolutions at general meetings. Finally, Mandarine Gestion draws on the work of ESG research firms of brokers.

3.3. WHAT ESG CRITERIA ARE TAKEN INTO ACCOUNT BY THE FUNDS

✓ **Mandarine Entrepreneurs**

Mandarine Entrepreneurs uses ESG data through the ESG Entrepreneurs filter developed by Mandarine Gestion.

The ESG-Entrepreneurs filter includes the following non-financial indicators:

Environment

- Environmental policy
- Changes in terms of carbon intensity;
- Alignment with a 2°C scenario (Paris Agreement)

Social

- Health & safety of employees.
- Employee turnover rate
- Diversity/Parity
- Equal opportunities

Governance

- Composition of the Board of Directors
- Executive compensation and ESG criteria
- Business ethics
- Rights of minority shareholders

Stakeholders

- Cybersecurity

- Customer satisfaction surveys
- ESG management of the value chain
- Vigilance plan

✓ **Mandarine Opportunités**

Mandarine Opportunités use ESG data through the ESG France filter developed by Mandarine Gestion.

The ESG-France filter includes the following non-financial indicators:

Environment

- The company's environmental policy,
- Company environmental rating (with internal ESG analysis)
- Environmental controversies

Social

- Working conditions, adaptation to maintain employment
- Existence of an HSS (hygiene, health, safety) management system
- Equal opportunities, diversity
- Employee turnover rate
- Social controversies
- Human rights in the value chain
- Collective labour agreement
- Staff training
- Health and safety management system
- Company social rating (with internal ESG analysis)

Governance

- Equal treatment of shareholders
- Functioning of the Board of Directors
- Existence of an audit/risk committee
- Analysis of the remuneration policy and the remuneration distributed to executives
- Integration of ESG criteria in executive remuneration
- Company governance rating (with internal ESG analysis)
- Controversies related to corporate governance

Stakeholders

- IT risks (cybersecurity)
- Conducting customer satisfaction surveys
- Value chain management
- Stakeholder controversies
- Company stakeholder rating (with internal ESG analysis)

✓ **Mandarine Social Leaders**

The ESG analysis of **Mandarine Social Leaders** is grouped into two areas:

Individuals (individually identifiable persons)

- Consumer rating
- Employee rating
- Supplier rating

Community (Interactions of the company with its stakeholders in the broad sense)

- Local Community rating
- Environmental rating
- Public Interest rating

✓ **Mandarine Europe Microcap**

Company evaluations are carried out internally by ESG analysts. The assessment makes it possible to analyse companies on their CSR policy and their level of integration of ESG criteria

The criteria are as follows:

Governance

- Independence rate and the percentage of women on the Board of Directors
- Separation of CEO/Chairman on the Board of Directors
- The CEO's remuneration linked to ESG criteria
- The share of audit costs under the auditors' expenses
- Formalising CSR policy
- Cybersecurity policy
- Employee share ownership

Social

- Staff turnover
- Staff training

Environment

- Formalisation of an environmental policy
- Greenhouse gas emissions (scopes 1 and 2)
- Mention of biodiversity

Stakeholders

- The integration of social criteria in purchasing/subcontracting practices
- Conducting customer satisfaction surveys.

The analysis is conducted in the universe of European micro-capitalisations meeting the liquidity criteria of the management process (equivalent to an average of 100,000 euros of daily trading over the last three months).

✓ **Mandarine Valeur**

The final ESG rating is broken down into a "static" rating and a "dynamic" rating, which takes into account the evolution of the ESG rating between two intervals of changes in ESG ratings. Companies in the universe are analysed according to Mandarine Gestion's ESG criteria, accessible in ESG View below (non-exhaustive):

- Environment

Environmental policy, biodiversity impact, energy mix, air and soil pollution, use of natural resources, alignment of activities with recognised climate scenarios, etc.

- Social

Staff turnover rate, accident rate, employee training, career development, management and organisation model, workforce diversity, employee shareholding, etc.

- Governance

Composition and functioning of the Board of Directors, succession planning, responsible restructuring, minority shareholder rights, executive compensation, etc.

- Stakeholders

Quality of products offered and customer service, responsible purchasing policy, monitoring of the value chain, human rights policy in direct activities and across the value chain, formalised commitments, monitoring of UN recommendations, stakeholder management, collaboration with NGOs, exposure in sensitive countries, inclusion and development programmes for local communities, etc.

The Mandarin Gestion ESG rating is the equal-weighted average of the four indicators. It ranges from [-2 to +2], refined as the rating agencies' ratings are updated, in line with current events and meetings between the ESG team and companies.

✓ **Mandarine Unique Small & Mid Caps Europe**

The evaluation of companies is carried out internally by ESG analysts, through a proprietary filter made up of the following ESG indicators, which may change over time:

- Traditional governance criteria:
 - Rights of minority shareholders
 - Composition of the Board of Directors
 - Quality and integrity of the Board of Directors
 - Business ethics
 - Directors' remuneration
- CSR policy criterion
 - Existence of a CSR policy
 - Quality of audit and financial reporting
 - Signatory of the Global Compact
 - Whistleblower programme
 - Creation of a CSR committee
 - Anti-corruption policy
- Social criterion
 - Human capital development (training)
 - Employee turnover rate
 - Employee accident rates
 - Diversity
- Environmental criterion
 - The Environmental policy
 - Changes in terms of carbon intensity;
 - Alignment to a 2°C scenario;
 - Environmental management system

✓ **Mandarine Global Sport**

Companies in the universe are analysed according to Mandarin Gestion's ESG criteria, accessible in the ESG View tool below (not exhaustive):

- Environment

Environmental policy, biodiversity impact, energy mix, air and soil pollution, use of natural resources, alignment of activities with recognised climate scenarios, etc.

- Social

Staff turnover rate, accident rate, employee training, career development, management and organisation model, workforce diversity, employee shareholding, etc.

- Governance

Composition and functioning of the Board of Directors, succession planning, responsible restructuring, minority shareholder rights, executive compensation, etc.

- Stakeholders

Quality of products offered and customer service, responsible purchasing policy, monitoring of the value chain, human rights policy in direct activities and across the value chain, formalised commitments, monitoring of UN recommendations, stakeholder management, collaboration with NGOs, exposure in sensitive countries, inclusion and development programmes for local communities, etc.

The Mandarine Gestion ESG rating is the equal-weighted average of the four indicators. It ranges from [-2 to +2], refined as the rating agencies' ratings are updated, in line with current events and meetings between the ESG team and companies.

✓ **Mandarine Equity Income**

The evaluation of companies is carried out internally by ESG analysts, through a proprietary filter made up of the following ESG indicators, which may change over time:

- Governance criteria (50% of the overall rating):
 - Respect for minority shareholders' rights
 - Composition of the Board of Directors
 - Quality and integrity of the Board of Directors

- Social criteria (30% of the overall score)
 - Fair remuneration policy
 - Freedom of association policy
 - Accident rate
 - Staff training
 - Executive pay gap / median employee salary
 - Collective agreements
 - Development of human capital

- Stakeholder criteria (15% of the overall score)
 - Stakeholder rating from the ESG View® tool, including in particular (non-exhaustive list): supplier relations, conducting a customer satisfaction survey, supporting subcontractors, etc.

- Environmental criteria (5% of the overall rating)
 - Environmental rating from the ESG View® tool including (non-exhaustive list): Environmental policy, biodiversity impact, energy mix, air and soil pollution, use of natural resources, alignment of activities with recognised climate scenarios, etc.

✓ **Mandarine Global Climate Action**

Companies in the universe are analysed according to Mandarine's ESG criteria, accessible in the ESG View® tool below (not exhaustive):

- Environment (10% of overall score)

Environmental policy, biodiversity impact, energy mix, air and soil pollution, use of natural resources, alignment of activities with recognised climate scenarios, etc.

- Social (30% of the overall score)

Staff turnover rate, accident rate, employee training, career development, management and organisation model, workforce diversity, employee shareholding, etc.

- Governance (30% of the overall score)

Composition and functioning of the Board of Directors, succession planning, responsible restructuring, minority shareholder rights, executive compensation, etc.

- Stakeholders (30% of the overall score)

Quality of products offered and customer service, responsible purchasing policy, monitoring of the value chain, human rights policy in direct activities and across the value chain, formalised commitments, monitoring of UN recommendations, stakeholder management, collaboration with NGOs, exposure in sensitive countries, inclusion and development programmes for local communities, etc.

Mandarine Gestion's ESG rating is between [-2 and +2], refined over time in line with updates to ratings from rating agencies, current events and meetings with companies by the ESG team.

3.4. WHAT PRINCIPLES AND CRITERIA RELATED TO CLIMATE CHANGE ARE TAKEN INTO ACCOUNT?

Whether or not the funds in this Code fall within the scope of Article 29 of the Energy Transition Act, i.e. exceed €500 million in assets under management at 31/12/2022, they include climate change-related criteria. The portfolio's carbon footprint (Mt CO2e/€ Mn invested) is one of the means of measuring the impact of a portfolio's investments in climate risk. Although it does not in itself summarise the impact of the fund in terms of the fight against global warming, the carbon footprint is a useful measurement: it enables the holders of our funds to know the emissions for which they are responsible via their equity holdings. The carbon footprint is calculated in Mt CO2e per turnover with an analysis of the effect of sector allocation and stock selection compared to the benchmark index. In each case, the carbon footprint is the weighted average of greenhouse gas emissions corresponding to the direct activities of companies

(Scope 1) and those related to the consumption of electricity, heat or steam required to manufacture products (Scope 2) and those related to front line suppliers of the companies (part of upstream scope 3).

Furthermore, avoided emissions are not accounted for. Finally, calculation of the carbon footprint can only reflect emissions at a given point in time, making it impossible to impact new measures taken by companies whose positive externalities will only be responsive to the indicators after several years.

This indicator was selected because it is a mature metric and is used by a number of asset managers in the market, thus offering better comparability of the measurements made. It makes it possible to understand the transition risk, i.e. the risk of a regulation on the fixing of a price per tonne of CO2.

Greenhouse gas emissions data is provided by Trucost. They are taken from the annual or sustainability reports of companies and the CDP. When no data is available, the data is estimated by Trucost, on the basis of turnover by business sector.

Article 29 calls for justifications to be provided on the inclusion of indicators for the contribution to energy transition, the 2°C objectives and the physical risks associated with climate change.

In addition to the carbon footprint, we measure every quarter for all funds in this Transparency Code:

alignment of portfolios with the Paris Agreement scenario (portfolio temperature by 2100): Current alignment trajectory of investments

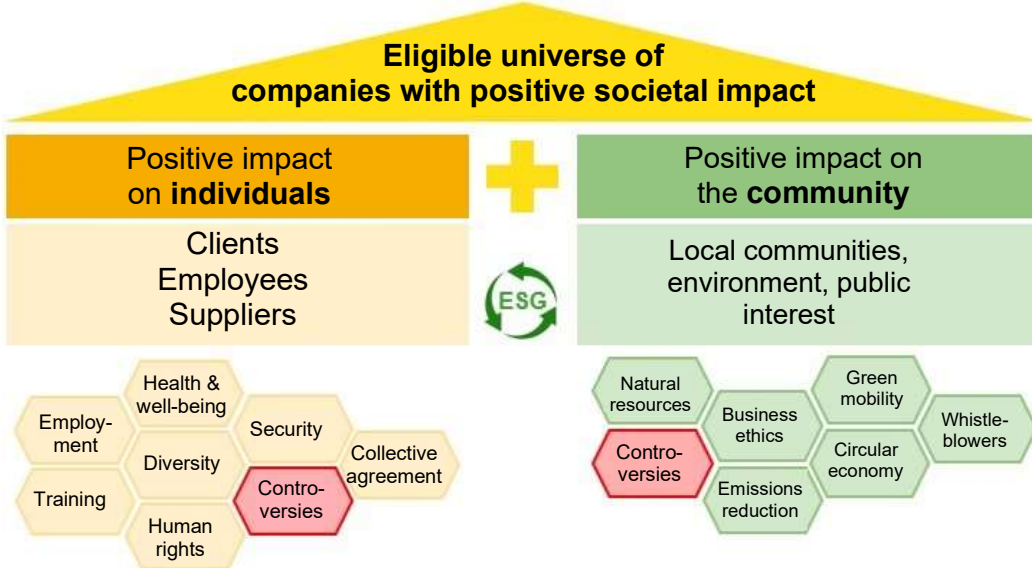
- companies take into account the risks associated with the erosion of biodiversity, thanks to the internal proprietary tool: Mandarin Biodiversity Score ®. The green share: average % of turnover of companies eligible for the European green taxonomy.

For Mandarin Global Transition, these measurements are made every month and are accessible in the fund's monthly reporting.

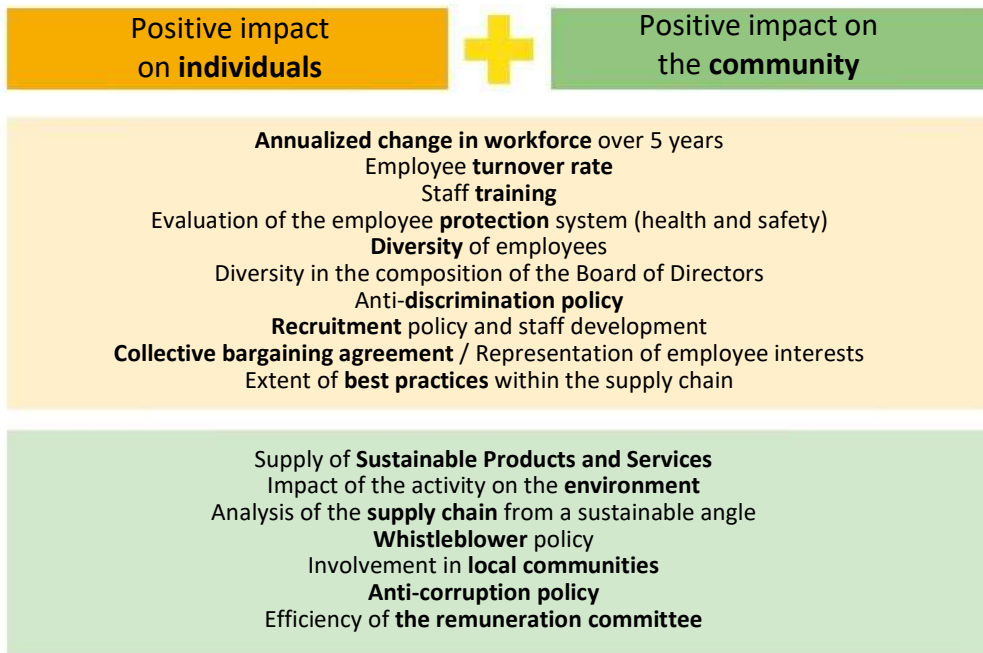
3.5. WHAT IS THE METHODOLOGY FOR ANALYSING AND EVALUATING ESG EMISSIONS?

✓ **Mandarin Social Leaders**

The fundamental principle underpinning Mandarin Social Leaders' ESG analysis methodology is that social action is a source of value creation. The identification of so-called "Social Leaders®" companies is carried out through a proprietary filter based on two main pillars: "Individuals" and "Communities".



The leading indicators of the Social Leaders® filter range from 0 to 100 and are provided by Sustainalytics and Bloomberg. They are equally weighted and then normalised between [-2 and +2]. They are summarised below:

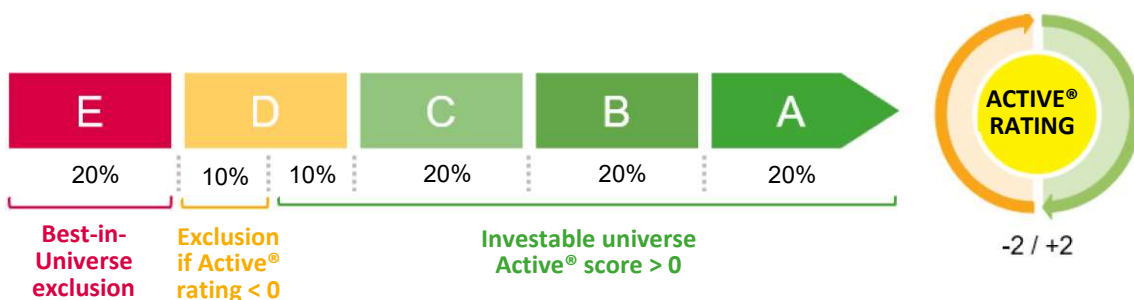


A “Best-in-Universe” approach

⇒ A company's **Social Leaders® score** is the average of its “individual” and “community” scores.

A minimum threshold requirement

- ⇒ Only companies with a **positive Social Leaders® score** are included in the investment universe
- ⇒ Companies **outside the E quintile** but with a **negative Social Leaders® score** are therefore **excluded**
- ⇒ These companies are subject to more in-depth **qualitative analysis**, notably through shareholder engagement



Controversies are an integral part of the Social Leaders® filter

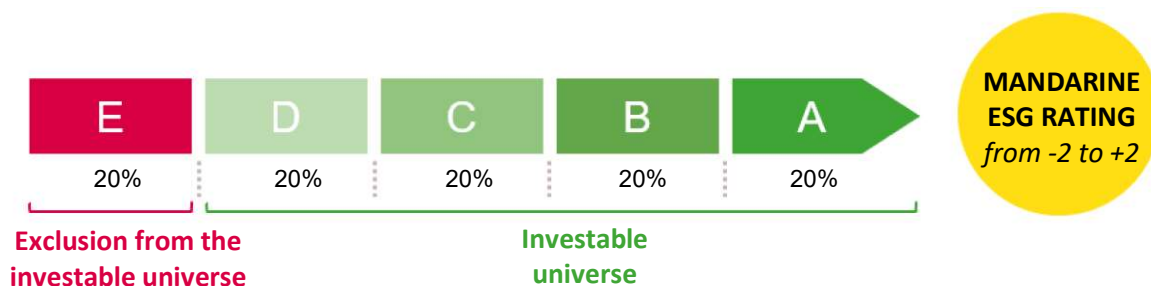
Controversy level	Penalty applied
Level 3	-0.25
Level 4	-0.50
Level 5	-0.75

✓ **Mandarine Opportunités - Mandarine Entrepreneurs**

The ESG-France and ESG-Entrepreneurs ratings are derived from Mandarine Gestion's proprietary ESG tool, "ESG View".

They range from [-2 to +2], refined over time as ratings from the rating agencies are updated, and following news and meetings with companies.

- ⇒ The **ESG-France and ESG-Entrepreneur ratings** of the respective investment universes are ranked in **quintiles (A-B-C-D-E)**;
- ⇒ The **last quintile (E) is excluded** from the investment scope;



Controversies are an integral part of the ESG rating of the Mandarine Opportunités and Mandarine Entrepreneurs funds

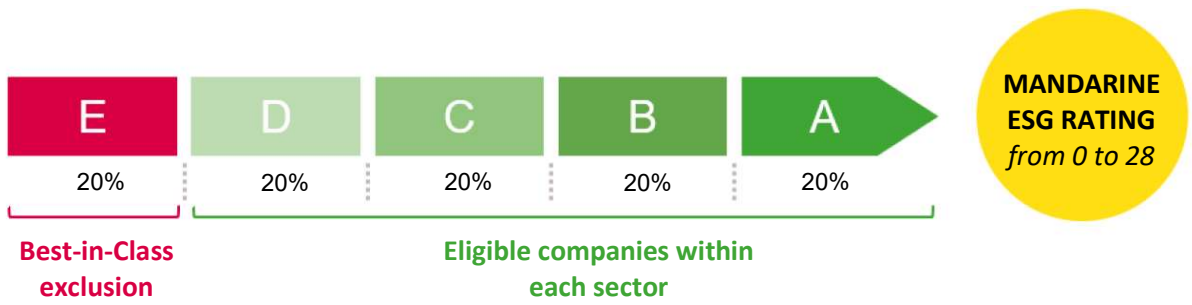
Controversy level	Penalty applied
Level 3	-0.25
Level 4	-0.50
Level 5	-0.75

✓ **Mandarine Europe Microcap**

The ESG-Microcaps rating comes from Mandarine Gestion's analysis based on ESG information contained in the annual and sustainable development reports of the companies in the investment universe, i.e. those that pass the first liquidity filter in the investment process.

The calculated ESG-Microcaps rating is between [0, 28], refined over time according to current events and meetings with companies.

- ⇒ Companies are grouped by sector of activity (24 sectors according to level 2 of the GICS sector classification)
- ⇒ The **ESG-Microcaps ratings** within each sector are classified by **quintiles (A-B-C-D-E)**;
- ⇒ The **last quintile (E) is excluded** from the investment scope;



✓ **Mandarine Global Transition**

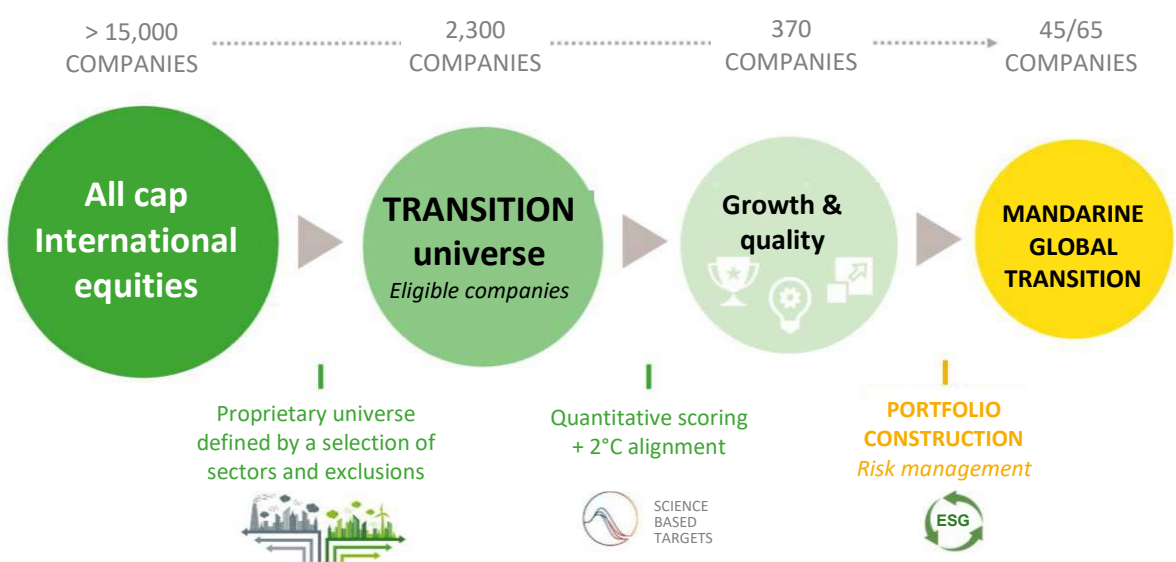
The climate analysis of companies in the investment universe is carried out in several stages.

Stock-picking:

- Analysis of turnover according to the eco-activities of the Greenfin label²;
- Categorisation between types I (Minimum 50% of turnover), II (Between 10% and 50% of turnover) or III (Between 0 and 10% of turnover).

Exclusion of securities:

- Nuclear industry;
- Conventional and unconventional fossil fuels;
- Weapons;
- Genetic engineering;
- Violation of the principles of the United Nations Global Compact;
- Serious controversies (5 out of 5 according to Sustainalytics).



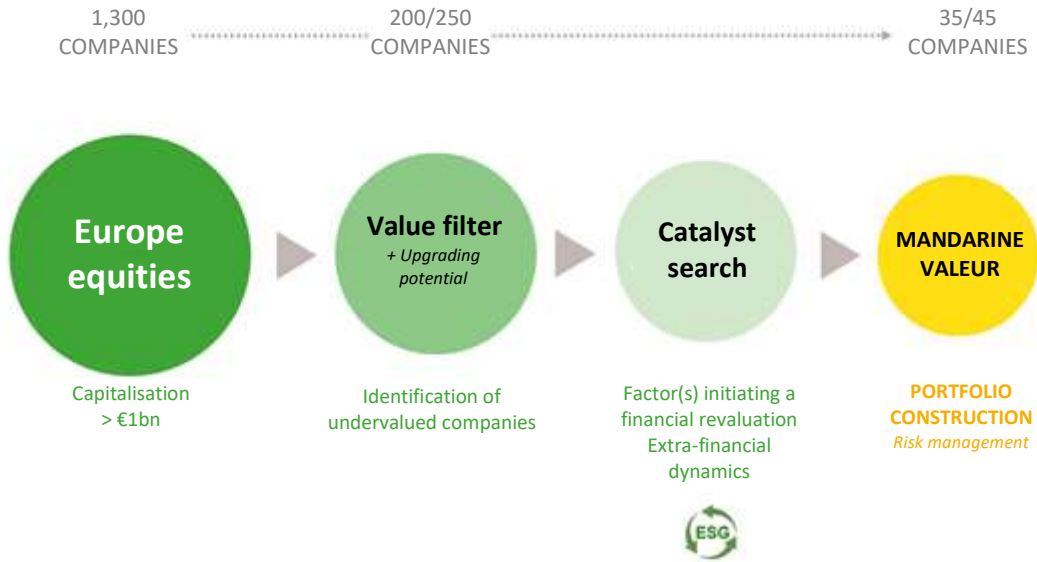
² It is specified that turnover data exposed to Greenfin eco-activities as well as turnover data from activities partially or strictly excluded come from Bloomberg and are verified with a discretionary analysis by the ESG team.

✓ **Mandarine Valeur**

The ESG-Valeur rating is the result of Mandarine Gestion's analysis based on ESG information contained in the ESG-View proprietary tool. It is made up of a "static" rating, weighted at 2 and a "dynamic" rating weighted at 1.

The calculated ESG-Valeur rating is between [-2;+2], refined over time according to current events and meetings with companies.

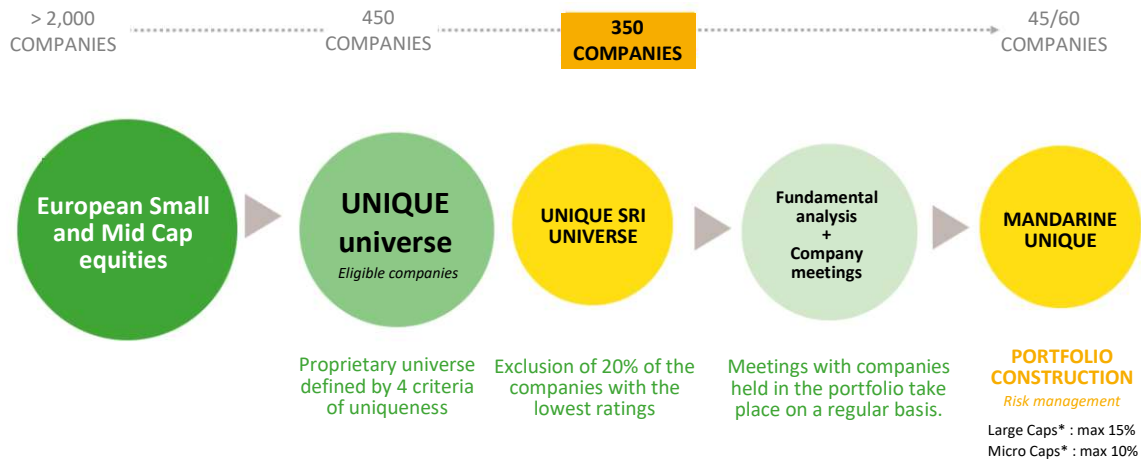
- ⇒ The vast majority of companies in the initial investment universe are rated using the ESG View tool
- ⇒ **ESG-Valeur scores** are ranked by **quintiles** (A-B-C-D-E);
- ⇒ The **last quintile (E) is excluded** from the investment scope;



✓ **Mandarine Unique Small & Mid Caps Europe**

The ESG-Unique rating is the result of Mandarine Gestion's analysis based on ESG information contained in the ESG-View proprietary tool. The calculated ESG-Unique rating is between [-2;+2], refined over time according to current events and meetings with companies.

- ⇒ The vast majority of companies in the initial investment universe are rated using the ESG View tool
- ⇒ **ESG-Unique ratings** are ranked by **quintiles** (A-B-C-D-E);
- ⇒ The **last quintile (E) is excluded** from the investment scope;



✓ **Mandarine Global Sport**

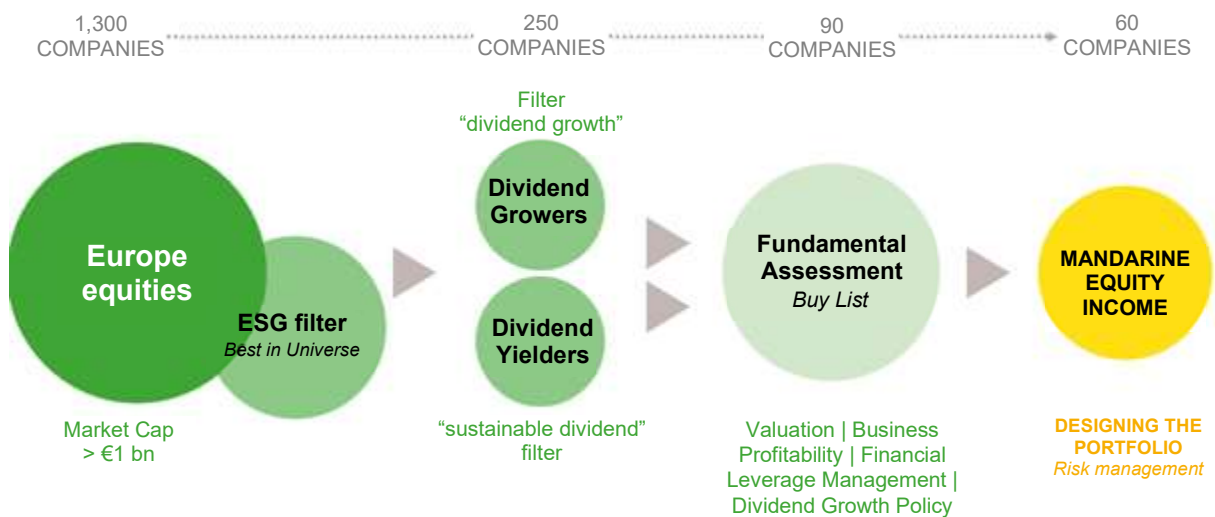
The ESG rating is the result of Mandarine Gestion's analysis based on ESG information contained in the ESG-View proprietary tool. The calculated ESG rating is between [-2;+2], refined over time according to current events and meetings with companies.

- ⇒ The vast majority of companies in the initial investment universe are rated using the ESG View tool
- ⇒ Specific exclusions are applied: football club, firearms.
- ⇒ The **lowest ESG ratings in the investment universe** are excluded from the investment scope in such a way that, combined with the specific exclusions, the investment universe is reduced by at least 20%.

✓ **Mandarine Equity Income**

The ESG-Equity Income rating is derived from Mandarine Gestion's analysis based on the ESG information contained in the proprietary ESG-View tool. The calculated ESG-Equity Income rating is between [-2;+2], refined over time according to current events and meetings with companies.

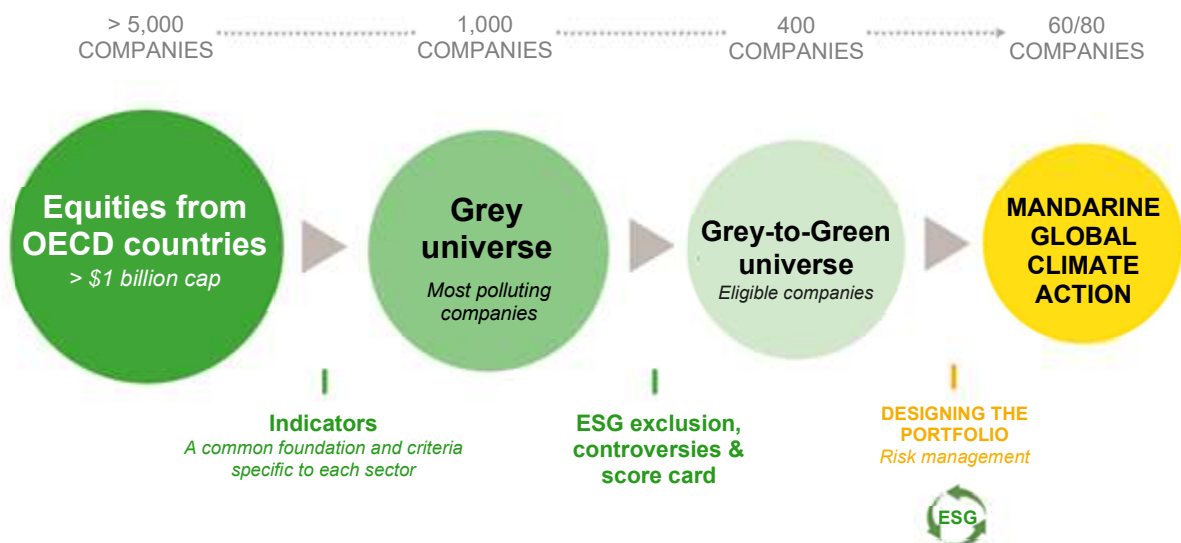
- ⇒ The vast majority of companies in the initial investment universe are rated using the ESG View tool
- ⇒ **ESG-Equity Income ratings** are ranked by **quintiles** (A-B-C-D-E);
- ⇒ The **last quintile (E) is excluded** from the investment scope;



✓ **Mandarine Global Climate Action**

The ESG rating is the result of Mandarine Gestion's analysis based on ESG information contained in the ESG-View proprietary tool. The ESG score calculated is between [-2;+2], refined on an ongoing basis according to news and meetings with companies.

- ⇒ Companies are grouped by sector of activity (24 sectors according to level 2 of the GICS sector classification)
- ⇒ The **ESG-scores** within each sector are ranked by **quintiles** (A-B-C-D-E);
- ⇒ The **last quintile (E) is excluded** from the investment scope;



3.6. A. FREQUENCY OF REVISION OF THE ESG METHODOLOGY AND EVALUATION

The ESG ratings of the ESG filters in place are made available to managers at the beginning of each month. The methodology can be reviewed and updated throughout the year. When they are not modified by the ESG centre of expertise, the ESG ratings of companies depend on the frequency of updating non-financial rating agencies, which takes place annually. Issuers' news is monitored on an ongoing basis, so controversies and alerts are taken into account for a possible update of the analysis of issuers.

3.6. B. MANAGEMENT OF CONTROVERSIES

Controversies are an integral part of the ESG evaluation of the companies in which we invest. The ESG Expertise Centre monitors controversies that could affect the reputation of portfolio companies on a bi-monthly basis. It is based in particular on the research work of the non-financial rating agency Sustainalytics, which ranks the level of seriousness of controversies on a scale from 1 to 5. A penalty on ESG ratings is applied to companies affected by controversies according to the following scale:

Controversy level	Penalty applied
Level 3	-0.25
Level 4	-0.50
Level 5	-0.75

Please note that this scale does not apply to the companies in the Mandarin Europe Microcap fund as we do not benefit from adapted research. In addition, micro-caps are less exposed to reputational risk than large caps.

4. MANAGEMENT PROCESS

4.1. ESG CRITERIA AND PORTFOLIO CONSTRUCTION

With regard to management as a whole, Mandarin Gestion systematically excludes companies involved in weapons banned by international conventions and identifies companies exposed to coal and exceeding the thresholds set out in Mandarin Gestion's coal policy, in order to initiate a dialogue and monitor the fulfilment of any commitments they may have made.

For the Mandarin Entrepreneurs, Mandarin Opportunités, Mandarin Valeur mutual funds and the Mandarin Unique Small & Mid Caps Europe sub-fund, the SRI selection is made up of companies belonging to the top 4 quintiles of its investment universe, regardless of their sector of activity. For Mandarin Social Leaders, the eligible SRI universe consists of positive ESG Active® scores after excluding the last quintile of the lowest-rated issuers.

For Mandarin Europe Microcap, the SRI selection is made up of companies belonging to the top 4 quintiles of the sector.

The portion of ESG-rated issuers in the SRI Fund (excluding public debt and cash) should be higher than 90% over the long term.

No securities belonging to the last quintile "E" may be invested in the portfolio. Thus, the weight of assets (excluding public debt and cash) that do not have an ESG rating is not intended to exceed 10%.

Mandarin Gestion is committed to verifying that the investments made in the funds of this Transparency Code have been made in accordance with the respective prospectuses of the funds.

In addition to the daily checks carried out by the fund manager, the risk manager ensures that the composition of the portfolios is in line with the ratios as defined by the specifications of the SRI label.

Any change in non-financial rating resulting in a change in the last quintile implies the company's exit from the portfolio as soon as possible, while respecting the interests of the unitholders.

Mandarin Gestion has adopted a shareholder engagement and voting policy in 2017. Dialogue with the companies in which Mandarin Gestion invests is a key element of our fiduciary responsibility. Increasingly, we are encouraging companies to establish non-financial targets in order to safeguard against any potential impact on their financial valuations. The objective of our shareholder engagement and voting policy is to establish a constructive dialogue with companies in order to encourage them to protect themselves against non-financial risks that may arise in the course of their activities or to encourage them to seize opportunities. Ultimately, the purpose of shareholder engagement is to take a stand on ESG issues and require targeted companies to improve their practices over time, through a structured approach and long-term monitoring.

Shareholder engagement topics are identified by the ESG Expertise Centre and can be discussed with fund managers during meetings with companies.

4.2. CONSIDERATION OF CLIMATE CHANGE

Climate is a component of the indicator dedicated to the environment within the framework of the ESG ratings of this Code. An upward or downward adjustment in the company's assessment of climate change induces a change in the environmental rating, which is a component of the ESG filters in the management processes.

The climate component includes monitoring indicators (non-exhaustive list) such as management of energy, water, soil waste, biodiversity, greenhouse gas emissions and targets, climate policies.

For methodologies for taking climate issues into account and measuring the carbon footprint, refer to parts 2.4 and 3.4 of the document. It should be noted that there is currently no ex ante quantified target in terms of the carbon footprint of the funds. These results are available in the monthly fund reports.

Focus on Mandarin Global Transition

For Mandarin Global Transition, the factors of ecological and energy transition are an integral part of the construction and management of the portfolio. In fact, the Fund will endeavour to select companies active in the following fields of activity: renewable energy, the circular economy and adaptation to climate change.

The fund will prioritise companies whose green share represents a high proportion of their turnover. To this end, the fund will invest at least 50% of its net assets in companies achieving more than 50% of their turnover in Eco-Activities.

In this context, the fund's assets will be made up of:

- minimum of 50% of net assets in Type I companies – “Significant Green Share” (companies generating than 50% of their turnover in Eco-Activities);
- a maximum of 50% of net assets in Type II companies - “Moderate Green Share” (those achieving 10% to 50% of their turnover in Eco-Activities);
- a maximum of 20% of net assets in Type III companies - “Diversification” (those generating less than 10% of their turnover in Eco-Activities).

4.3. NON-ESG ANALYSED ISSUERS

Non-ESG analysed emitters are subject to extensive shareholder dialogue. If there is sufficient ESG transparency, the company may be given a rating. In addition, we are committed to analysing and rating 90% of the stocks in the portfolio in the long term according to ESG criteria for SRI-labelled funds. For Mandarin Global Transition, ESG analysis prioritises the theme of ecological and energy transition.

4.4. ESG EVALUATION PROCESS OVER THE PAST TWELVE MONTHS

There has been no change in the valuation processes over the last twelve months for the funds covered by this Transparency Code.

4.5. INVESTMENT IN SOLIDARITY ORGANISATIONS

The funds in this Transparency Code are not invested in unlisted organisations with a strong social and societal purpose.

4.6. SECURITIES LENDING/BORROWING

The funds listed in this Transparency Code do not engage in securities lending and borrowing.

4.7. DERIVATIVES

The funds in this Transparency Code do not use derivatives.

4.8. INVESTMENT IN UCIs

The funds of this Code may invest in:

- money market UCIs in the context of cash management;
- equity, bond or diversified UCIs whose management strategy is consistent with that of each of the mutual funds concerned and contributes to the achievement of their performance objective.

However, total investments for all funds in UCIs may not exceed 10%.

5. ESG MONITORING

5.1. INTERNAL AND EXTERNAL MONITORING PROCEDURES TO ENSURE COMPLIANCE OF PORTFOLIOS WITH THE RULES SET OUT IN PART 3 OF THE CODE

At the end of the financial year, in addition to the formal certification of the funds and its legal due diligence, the funds' statutory auditor verifies the relevance of the investment choices with regard to SRI criteria as defined in the various fund information documents of this Code of Transparency (AMF Prospectus). In addition, the head of internal control carries out regular compliance monitoring to ensure continuity of compliance with SRI criteria in the investment choices made by the manager. A Compliance and Quality Assurance report on the proper implementation of the Fund's ESG strategy is produced and is available on request.

The following elements are verified as part of the control of SRI labelled funds:

- Minimum 90% of assets with an ESG rating;
- Absence of non-eligible securities in the portfolio belonging to the last quintile E of ESG rated securities;
- Minimum 20% of the investment universe ineligible in the portfolio.

6. IMPACT MEASUREMENTS AND ESG REPORTING

6.1. EVALUATION OF THE QUALITY OF THE FUNDS

Each month, the ESG footprint of the portfolios is communicated via the monthly ESG reports.

The ESG reporting for each fund shows:

- The ESG rating and profile of all the fund's securities;
- The main lines of the fund and their ESG ratings;
- The fund's carbon footprint: the inclusion of this environmental indicator gives a precise estimate of the number of tonnes (CO2 equivalent) emitted per year and per million euros invested (scope 1, scope 2 and part of the upstream scope 3).

The latest monthly fund reports can be found on Mandarin Gestion's website.

6.2. ESG IMPACT INDICATORS

Measuring the ESG performance of our investments is also part of our mission as a responsible investor. In this context, we have defined ESG impact indicators for each fund.

For the funds in this Code, the ESG indicators used are as follows:

- Greenhouse gas emissions;
- The diversity of the board;
- The commitment of companies to the United Nations Global Compact;
- Human capital.

In terms of measuring ESG impact, the management company prefers, for example, to invest in companies:

- Who are less carbon-intensive than their competitors;
- Signatories of the UN Global Compact;
- Who have a high proportion of indefinite contracts in the workforce;
- Who have a lower employee turnover rate;
- Who have a board independence rating in line with or above its index.

For the climatic impact of the Mandarin Global Transition fund, the following are measured:

- The portfolio's carbon footprint
- The green share linked to the sustainable activities of the Taxonomy
- The temperature of the portfolio in connection with the Paris Agreements (indicator selected for the Greenfin label, which will be the subject of a qualitative observation)
- The share of companies having submitted a climate scenario to the SBTi

The funds are committed to outperforming their benchmark on the following two ESG indicators:

- Mandarin Social Leaders: carbon footprint and level of independence of the Board
- Mandarin Opportunités: carbon footprint and level of independence of the Board
- Mandarin Entrepreneurs: carbon footprint and employee turnover rate
- Mandarin Unique Small & Mids Caps Europe: carbon footprint and level of independence of the Board
- Mandarin Valeur: commitment to the UN Global Compact and level of independence of the Board
- Mandarin Global Sport: carbon footprint and employee turnover rate
- Mandarin Europe Microcaps: carbon footprint and implementation of a CSR policy

6.3. CONTENT, FREQUENCY AND MEANS USED BY THE MANAGEMENT COMPANY TO INFORM INVESTORS ABOUT THE ESG CRITERIA TAKEN INTO ACCOUNT

Mandarin Gestion's SRI initiatives to inform investors are summarised in the table below:

Document	Content	Frequency	Means used
ESG Letter	Macro or sectoral ESG news	Quarterly	Mandarin Gestion website Emails sent to customers and prospective customers
ESG reporting of Mandarin Entrepreneurs Mandarin Social Leaders Mandarin Opportunités Mandarin Europe Microcap Mandarin Valeur Mandarin Unique Small & Mid Caps Europe Mandarin Global Sport	Performance on measures of the fund's ESG impact against its benchmark. - Carbon footprint - Signatories of the UN Global Compact - Share of indefinite contracts - Rate of Board independence	Quarterly	Mandarin Gestion website

Monthly Report	Financial and non-financial report for the previous month Focus on “Social” metrics for Mandarin Social Leaders and climate for Mandarin Global Transition.	Monthly	Mandarine Gestion website
ESG Reporting Seven open-end equity funds	Fund ESG Rating vs. Index and by Indicator Greenhouse gas emissions 2°C alignment/portfolio temperature Exposure to European Taxonomy Top 5-Bottom 5 of the ESG rating of the companies in the fund SWOT ESG Controversies	Quarterly	Available to customers and potential customers
Shareholder engagement activity report	Report on shareholder engagement activities on ESG issues	Annual	Mandarine Gestion website
Voting and engagement policy	Conditions under which shareholder engagement and voting activities are carried out	Annual	Mandarine Gestion website
Report on the exercise of voting rights	Scope and summary of votes and shareholder engagement activities for the past year	Annual	Mandarine Gestion website
Prospectus and KIID	Regulatory Information	In case of changes	Mandarine Gestion's website, by letter to holders if necessary
Reports Article 29	At entity level and for funds with assets over €500 M. Regulatory information on the ESG properties of portfolios and more specifically on climate impact	Annual	Mandarine Gestion website

6.4. RESULTS OF THE SHAREHOLDER ENGAGEMENT AND VOTING POLICY

Mandarine Gestion updates its shareholder and voting policy every year. This policy covers the management company. An [annual report](#) on shareholder engagement and the exercise of voting rights is also available on the Mandarin Gestion website.