



CHAHINE CAPITAL
PERFORMANCE ENGINEERING

Corporate Social Responsibility (CSR) Report 2023



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1. OVERVIEW OF CHAHINE CAPITAL

Chahine Capital is an independent investment management headquartered in Luxembourg and a pioneer in quantitative long-only equity Momentum strategies in Europe. The Digital Funds SICAV, which was launched in 1998, has been among the best performers within the industry for more than 25 years, delivering a significant and persistent alpha.

Chahine Capital's investment team of expert engineers, Portfolio Managers and Researchers develop proprietary algorithmic models to identify stocks that will outperform the market.

1 team of recognised experts

2 offices

25 years of track record

631 million of assets under management as of 29 December 2023

20 employees (6 women, 14 men)

Our footprints



2. EDITORIAL

« Combining performance with meaning in our investment solutions »



Faced with a constantly changing world, we are committed to a sustainable, forward-looking approach. We are integrating a CSR approach into the heart of our activities, in order to make a positive contribution to our society and our environment.

More aware than ever of the issues and importance of investing with respect for future generations, Chahine Capital has set itself a goal: to combine performance and meaning in our investment solutions.

Our CSR approach focuses on three areas: committing to our clients for more sustainable investments, taking a positive approach to society and preserving our planet.

In order to meet our customers' expectations as effectively as possible, we are continually strengthening our investment process to ensure that we are a responsible company that takes into account environmental, social and governance considerations. We are also fully compliance with the SFDR regulation. For 5 of our equity funds we have once again successfully obtained the Luxembourg LuxFLAG ESG label, while Digital Stars Eurozone has been as well granted the French SRI label and the Belgian Towards Sustainability label. Our ambition is to develop our approach to responsible investment through the evolution of our commitment and responsible investment policies.

Moreover, Chahine Capital has assessed the impact of its activity on the climate using the carbon footprint methodology developed by ADEME (Agency for ecological transition). The aim is first to be aware of the impact of our activities on the climate, and to act accordingly to reduce our carbon footprint.

Each of our actions and ambitions is detailed in this report in order to help building tomorrow's world together.

Charles Lacroix – CEO at Chahine Capital



3. OUR CSR APPROACH

Chahine Capital's CSR approach is based on two commitments:

1 - Committing to our clients for more responsible investments



- Key dates
- Governance
- Exclusion policy
- Dialogue and transparency

2 - Protecting our planet



- Sensitizing
- Recycling
- Reducing our paper consumption
- A committed purchasing policy
- Changing the way we interact each other

3.1 COMMITTING TO OUR CLIENTS FOR MORE RESPONSIBLE INVESTMENTS

In order to support more responsible finance, Chahine Capital integrates environmental, social and governance criteria into its investment processes to offer investors more sustainable investment solutions.

Key dates



Chahine Capital is a UN PRI signatory since 2019.



5 funds of the Digital Stars range have been awarded the LuxFLAG ESG label until 31 December 2024: Digital Stars Europe, Digital Stars Continental Europe, Digital Stars Europe Smaller Companies, Digital Stars US Equities, Digital Stars Eurozone.



Digital Stars Eurozone is granted the French SRI label, valid until 31 December 2024, as well as the Belgian SRI label « Towards Sustainability », valid until 30 June 2024.



Chahine Capital is also a member of the Forum for Responsible Investment (FIR, FrenchSIF), a member of Eurosif, the European association for the promotion of sustainability through European financial markets.

Governance

The ESG policy is implemented by the investment team and integrated into quantitative models in order to be implemented in all “Digital Stars” portfolios. The Risk management team monitors on a daily basis the compliance of the funds with the responsible investment policy.

The Chahine Capital’s executive committee, composed of its CEO, CIO and Head of Risk and Compliance, defines the ESG policy.

Exclusion policy

Norm-based and sector exclusions, ESG controversies

Chahine Capital is committed to excluding :

- Companies involved in weapons, coal mining activities, unconventional oil and gas, tobacco, alcohol, gambling, non-medicinal drugs, pornography, pesticides, palm oil and GMOs;
- Companies that violate any of the 10 principles of the United Nations Global Compact (UNGC);
- The most controversial companies, according to RepRisk's ESG indicators.

Dialogue and transparency

SRI voting policy

An SRI voting policy has been set up within Chahine Capital. We therefore vote at shareholders' meetings and apply by default the SRI voting recommendations provided by our partner ISS Governance.

The detailed SRI voting policy is available on our website:

<https://chahinecapital.com/en/responsible-investment/>

Engagement policy

As quantitative investor, getting access to reliable, granular and comprehensive data is crucial for Chahine Capital, which therefore seeks to improve the availability of CSR data from the companies being part of our investment universe. Thus, for stocks not covered by the extra-financial databases we use to implement our CSR policy, Chahine Capital directly approaches the latter and the companies concerned to encourage them to disclose the necessary sustainability information. In addition, we also engage in dialogue with the main companies contributing to the carbon and water footprint of our Digital Stars Eurozone SRI fund, and with portfolio companies for which we have identified a high number of human rights incidents.

The detailed engagement policy is available on our website:

<https://chahinecapital.com/en/responsible-investment/>



3.2 PROTECTING OUR PLANET

Aware of the environmental urgency and our role to play, Chahine Capital is making concrete commitments to reduce its environmental footprint.

Sensitising

A best practice guide has been provided to each employee in order to encourage them to adopt sustainable practices and to reduce the negative impact on the environment (eco-actions at the workplace, eco-actions at the office, eco-actions when travelling).

Recycling

Containers are available to employees for:

- Collecting used batteries;
- Sorting paper, cardboard and glass;
- Recycling used Covid masks into basic materials in Paris.

Chahine Capital has also decided to reduce single-use plastic by installing in its offices a water fountain in Luxembourg and water filter in Paris. Each employee has also been provided with a cup and a drinking bottle.

Reducing our paper consumption

The pay slip system has been dematerialised. Thus, pay slips are available to employees via a secure digital platform.

An electronic signature solution has been implemented. As we are involved in a regulated activity requiring the signature of a large number of documents, this has enabled a significant reduction of our paper printouts.

All printers are programmed by default in black and white and in duplex format. Ink cartridges are recycled by a specialized supplier. To continue, printing is carried out on PEFC certified paper (Programme for the Endorsement of Forest Certification schemes), certifying sustainable forest management.

A committed purchasing policy

Chahine Capital has chosen Antilope for the purchase of office supplies – a company promoting professional integration of people with disabilities.

For the purchase of coffee beans, Chahine Capital will go to Café Joyeux, a charity association with the purpose of training and employing people with cognitive disabilities such as Down syndrome or autism.

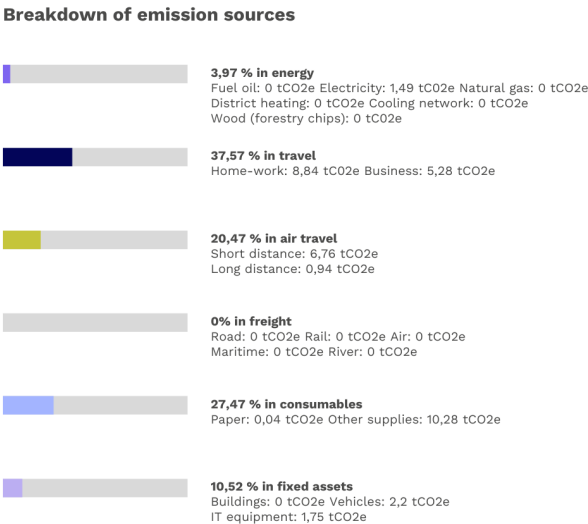
Changing the way we interact each other

Chahine Capital aims to reduce non-essential travels by favoring video and telephone conferencing, both internal and external. Whenever possible, the least polluting mode of transportation will be used.

Implementation of a low carbon strategy

Chahine Capital is committed to assessing the impact of its activity on climate using the carbon footprint methodology developed by ADEME (Agency for ecological transition). The aim is to identify actions that will reduce its environmental footprint. Then, the goal is to contribute to carbon neutrality by financing projects, with the GoodPlanet Foundation, which are commensurate with the greenhouse gas emissions that cannot be reduced.

In 2023, our emissions were approximately 37.58 tonnes of CO2 equivalent, distributed as follows:



In 2024, we will continue our commitment and will focus on less polluting transportation, which is our main source of emissions.

This year, our financial contribution benefited the following projects:

Dissemination of solar cookers

Bolivia

11 640 solar cookers installed
46 715 tonnes of CO2 avoided
46 560 beneficiaries

Recycling of household waste

Madagascar/Cameroon/Togo

83 380 tonnes of waste treated
7 570 tonnes of compost produced and marketed
54 330 tonnes of CO2 avoided

Development of new projects

Developing Countries (DC) and Least Developed Countries (LDC)
Types: Access to renewable and sustainable energy



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