

# Environmental and/or social characteristics

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name : **DIGITAL FUNDS Stars Eurozone**

Legal identity identifier : 529900G224IN5MYEFU82



**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It made sustainable investments with an environmental objective: \_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made sustainable investments with a social objective: \_\_%

☐ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 0.00% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promoted E/S characteristics, but did not make any sustainable investments



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

We take into account the capacity of companies to manage environmental and social risks to which they are exposed through their activities. We therefore favour companies with the least exposure to ESG risks by excluding those with a high level of ESG risk. We also take into account company's carbon risk based on the transition to a low-carbon economy. We exclude companies with a high level of carbon risk. For these purposes, we use the Sustainalytics database.

Business conduct risks related to human rights, labour, the environment and corruption can result in risks to a company's reputation and finances, and therefore in a risk for the final investor. Thus, we exclude companies with a high level of ESG controversy. We use the external RepRisk database for this purpose. RepRisk helps us reducing blind spots and shed light on the ESG and business conduct risks related to our investments.

At the end of investment process stocks are evaluated on the basis of an ESG indicator, which combines Sustainalytics' ESG Risk Rating and RepRisk's ESG Reputational Risk indicator. Stocks with the best ESG indicators are integrated into the portfolio. We ensure that the ESG indicator for these stocks is in the top 50% of the initial investment universe.

The fund promotes environmental and social characteristics such as respect for human rights and labour rights, peace, prevention of environmental risks, protection of the environment, prevention of impacts on biodiversity, limitation of carbon emissions, public health.

**Sustainability indicators**  
measure how the sustainable objectives of this financial product are attained.

## ● *How did the sustainability indicators perform?*

The sustainability indicators used are:

**ESG Risk Rating:** ESG Risk Rating quantifies a company's exposure to ESG risk and how well the company manages that risk. ESG Risk Rating is a score from 0 (less risky) to 100 (extremely risky): 0-10 is a negligible level of risk, 10-20 is a low level of risk, 20-30 is a medium level of risk, 30-40 is a high level of risk, and 40 and above is a serious level of risk.

**RepRisk Index (RRI):** The RRI is a proprietary algorithm developed by RepRisk that dynamically captures and quantifies reputational risk exposure related to ESG issues. The RRI is not a measure of reputation, but is rather an indicator of ESG-related reputational risk of a company or other entity. It allows the comparison of a company's exposure with that of its peers and helps track the risk trend over time. In essence, the RRI facilitates an initial assessment of the ESG and reputational risks associated with financing, investing, or conducting business with a particular company.

The RRI ranges from zero (lowest) to 100 (highest): 0-24 means low risk exposure, 25-49 means medium risk exposure, 50-59 means high risk exposure, 60-74 means very high risk exposure, and 75-100 means extremely high risk exposure.

**RRI E, RRI S:** derived from RRI. They respectively quantify reputational risk of a company regarding environmental issues and social issues.

**Peak RRI:** derived from RRI, it is the maximum value, between 0-100, reached by the RRI over the past two years.

**ESG SCore:** which combines Sustainalytics' ESG Risk Rating, RepRisk's ESG Reputational Risk indicator (RRI) and the percentage of women on the board. Stocks with the best ESG indicators are integrated into the portfolio. We ensure that the ESG indicator for these stocks is in the top 50% of the initial investment universe.

As of 30.09.2024, this is how indicators have performed:

- ESG Score of the fund is 12/100
- the fund's RepRisk Indicator (RRI) is 9/100
- The RRI E of the fund is 2
- The RRI S of the fund is 3
- The fund's Peak RRI is 20/100

## ● *...and compared to previous periods?*

Période de référence	RRI	RRI S	Score ESG	RRI E	Peak RRI
Year 2024	9.00	3.00	12.00	2.00	20.00
Year 2023	10.00	4.00	14.00	2.00	22.00
Year 2022	10.00	4.00	14.14	2.00	21.00

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

Not applicable as the fund will not make sustainable investments.

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

Not applicable as the fund will not make sustainable investments.

## ● *How were the indicators for adverse impacts on sustainability factors taken into account?*

Not applicable as the fund will not make sustainable investments.

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

Not applicable as the fund will not make sustainable investments.

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

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

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



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

Indicators of principal adverse impacts have been taken into account through Sustainalytics and RepRisk. In Sustainalytics' ESG Risk Rating calculation method, 29 different ESG issues can be taken into account depending on a company's sector and/or activity. The issues taken into account are for example human capital, business ethics, human rights, land use & biodiversity, emissions, effluents & waste, product governance, carbon. In the Carbon Risk Ratings, a company's management of and exposure to carbon is broken out into three separate Material Carbon Issues: Carbon – Own Operations, Carbon – Products and Services, and Carbon Finance.

RepRisk's core research scope is comprised of 28 ESG Issues that are broad, comprehensive, and mutually exclusive. These 28 Issues drive the entire research process, and every risk incident in RepRisk's ESG Risk Platform is linked to at least one of these Issues. RepRisk's covers issues like climate change, GHG emissions, global pollution, impacts on landscapes, ecosystems and biodiversity, local pollution, waste issues.

The percentage of women on the board is taken into account in the ESG score, which is used for the final best-in-universe selection.



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: Oct 2023 - Sep 2024

Code	Largest investments	Sector	% Assets	Country
IE00BF0L3536	AIB	Financial activities	3.59 %	Ireland
IT0005252728	BREMBO	Manufacturing	3.53 %	Italy
ES0183746314	VIDRALA	Manufacturing	3.45 %	Spain
DE0008430026	MUENCHENER RUECKVER	Financial activities	3.30 %	Germany
IT0003549422	SANLORENZO	Manufacturing	2.87 %	Italy
BE0974259880	D'IETEREN	Wholesale and retail trade	2.82 %	Belgium
FR0013447729	VERALLIA	Manufacturing	2.66 %	France
FR0000052292	HERMES INTL	Manufacturing	2.62 %	France
FR0000130577	PUBLICIS GROUPE	Scientific and technical	2.41 %	France
DE0005810055	DEUTSCHE BOERSE	Financial activities	2.41 %	Germany
BE0974362940	BARCO	Manufacturing	2.38 %	Belgium
FR0010451203	REXEL	Wholesale and retail trade	2.37 %	France
IT0000072170	FINECOBANK	Financial activities	2.35 %	Italy
FR0010908533	EDENRED	Services activities	2.29 %	France
IT0004171440	ZIGNAGO VETRO	Manufacturing	2.13 %	Italy



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

## What was the proportion of sustainability-related investments?

### What was the asset allocation?

#1 Aligned with E/S characteristics: 100%

#1A Sustainable: 0%

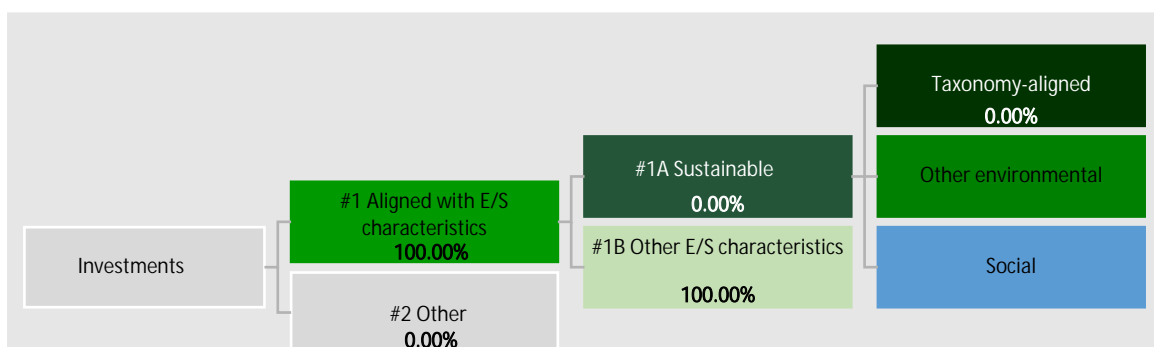
Taxonomy aligned : 0%

Other environmental: 0%

Social: 0%

#1B Other E/S characteristics: 100%

#2 Other: 0%



**#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.

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

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

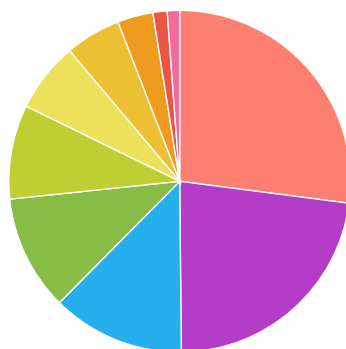
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouses gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**Sectoral exposure**



- Financial activities 27.05%
- Manufacturing 22.80%
- Real Estate 12.58%
- Information and communications 10.91%
- Wholesale and retail trade 8.91%
- Scientific and technical 6.62%
- Construction 5.26%
- Other Service Activities 3.37%
- Human Health 1.34%
- Arts and Entertainment 1.17%



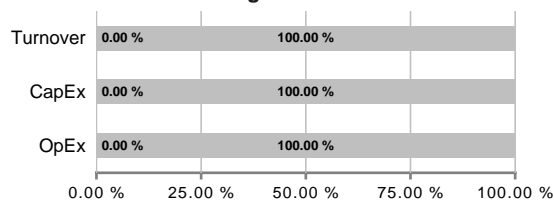
● **To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**



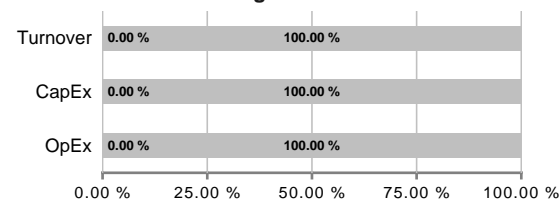
The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product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

**1. Taxonomy-alignment of investments including sovereign bonds\***



- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned

**2. Taxonomy-alignment of investments excluding sovereign bonds\***



- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned

This graph represents 100.00% of the total investments.

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

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

Not applicable

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable



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

Not applicable

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



*What was the share of socially sustainable investments?*

Not applicable



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

Not applicable



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

The management company has implemented several exclusion criteria to meet the environmental and social characteristics promoted by the fund, such as the exclusion of companies with a high level of ESG and/or carbon risk and which do not manage it properly, normative exclusions, exclusions relating to the coal, nuclear, non-conventional oil and gas, palm oil, pesticides, GMO sectors, and companies with high environmental or social controversy indicators.



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

- *How does the reference benchmark differ from a broad market index?*  
Not applicable
- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*  
Not applicable
- *How did this financial product perform compared with the reference benchmark?*  
Not applicable
- *How did this financial product perform compared with the broad market index?*  
Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.