

CONTROVERSY POLICY

As part of its general ESG policy (exclusions, survey and scoring, TCFD, SASB, dependencies, etc.) Sienna IM – Private Credit Expertise implements robust procedures to identify ESG controversies as well as the potential ESG risks that these controversies could reveal.

Considering the material difficulty of systematically carrying out in-house controversy studies for all the companies and countries in which we operate, we have chosen to use an outsourced service: thus, in 2022, Sienna IM – Private Credit Expertise selected Ethifinance's offer to identify and score controversies.

Ethifinance works in two steps:

- A multi-year data search on a variety of documents using the SESAMm tool.
- An analysis of the data to characterize the severity of controversies on a scale of 0 to 5. This score is based on the ratings given to each source identified as potentially contributing to a controversy. These ratings depend on the severity of the risk identified by the source and its compatibility with international standards such as OECD compliance or UNGC Compliance.

Sienna IM – Private Credit Expertise uses this service:

- To support the files presented to the investment committee or, on the contrary, to discard them. A serious controversy (notes 4 and 5) does not directly constitute an eliminatory note, but an obligation to formally raise the subject with management to confront the facts and ensure, if necessary, that convincing corrective measures are put in place.
- During the annual reviews of the funds, to measure the company's good management of significant controversies already identified or to consider the emergence of new themes.
- As soon as a worrying news flow appears for a given borrower

Please refer to the exclusion policy attached to this document.

This document is intended exclusively for professional investors within the meaning of the MiFID Directive