



# Covéa Finance Compliance Policy

## **1. Roles and responsibilities of COVEA FINANCE's Compliance Function**

As an asset management company belonging to the COVEA Group, COVEA FINANCE is required to set up a Compliance Function adapted to its size, to the nature of its activities and to the risks that it might have to face.

This Compliance Function aims to ensure the development of a compliance culture within COVEA FINANCE while securing the development and growth of the company's activities.

For this reason, the Compliance Function provides advice and assistance for the benefit of the teams and management of COVEA FINANCE in order to limit the risk of non-compliance within the company.

- Notion of the risk of non-compliance:

The Compliance Function is in charge of identifying the risks of non-compliance within COVEA FINANCE.

The risk of non-compliance is defined as a risk of legal, administrative or disciplinary sanction, of significant financial loss or of harm to COVEA FINANCE's reputation, arising from the failure to respect legislative or regulatory provisions applicable to the company, professional and ethical standards or instructions from the company's management.

- Notion of legislative or regulatory obligations, professional and ethical standards, instructions from the company's management:

COVEA FINANCE should adopt an organisation and internal procedures that comply with legislative and regulatory obligations. These obligations unite all the standards of national or European law that might apply to asset management companies exercising their activities in France (AMF (Autorité des Marchés Financiers) [Financial Markets Authority] or ESMA [European Security and Markets Authority] regulations, company law, labour law, tax law, accounting law, regulations on personal data protection, etc.).

COVEA FINANCE should also respect the standards of the profession published notably through the Association Française de la Gestion [French Asset Management Association] (ethical codes and rules).

Finally, the Compliance Function should also take into account the instructions formulated by COVEA FINANCE management, including them in the corpus of applicable standards.

## **2. Organisation of the Compliance Function**

COVEA FINANCE has set up a system of Compliance and Internal Control which is structured around four functions:

- The Compliance Function in charge of advising and assisting with the implementation of legal and regulatory obligations;
- The Internal Control Function in charge of the permanent level two internal control, which verifies the adequacy and efficiency of the systems to control non-compliance and operational risks;
- The Internal Audit function in charge of level 3 control, called "periodic control";
- The Risk Control Function in charge of the a posteriori control of market risks, and participating in the level 1 a control.

The missions and aims of each of these functions are defined in ad hoc policies.

- Positioning of the Compliance Function:

The Compliance Function is led by a Compliance Officer who reports directly to the General Management of COVEA FINANCE.

In this capacity, the Compliance Officer sends an annual report to the general management in order to report on the operational implementation of this policy.

- Principal missions of the Compliance Function:

The Compliance Function participates throughout the identification and non-compliance risk control process, and more specifically in the following stages:

- Regulatory watch, impact study and assistance:
  - Monitoring the changes in professional, regulatory and legal obligations;
  - Carrying out the impact study of the changes in professional, regulatory and legal obligations;
  - Alerting the management and operation staff to changes and/or impacts on the company's organisation;
- Expertise and regulatory projects:
  - Managing of regulatory projects or contribution of expertise on regulatory aspects and compliance of projects led by business lines;
  - Training and awareness of teams with regard to regulatory requirements;

- Validation of the compliance of internal standards, opinions and advice;
  - Validation of the compliance of policies and other internal directives;
  - Assessment of the opportunity of setting up policies or other internal directives, and monitoring of the updating of these policies, or other internal directives in connection with the regular analysis of risks of non-compliance and the monitoring work carried out;
  - Advice and assistance to the operational staff concerned in the exercising of their missions so that they can perform the tasks which are entrusted to them in accordance with their professional obligations.

### **3. Interactions of the Compliance Function with the Internal Control Function.**

In order to guarantee the effectiveness of COVEA FINANCE's Compliance and Internal Control system, the Compliance Function works in coordination with the permanent control in order to ensure the maintenance of the consolidated risk mapping: identifying, assessing and updating the risks of non-compliance through the Target Compliance Hub and consolidation and maintenance of the global mapping by the Permanent Control.

Recurring coordination committees are also set up between the Compliance Officer and the Permanent Control Officer in order to monitor the relations/exchanges with the supervisory authorities, discuss notices of compliance issued or communicate regulatory changes and the setting up of transformation projects.

### **4. Interactions of the Compliance Function with the business lines**

COVEA FINANCE'S Compliance Function aims to develop a "culture of compliance" within the company. As such, it is the preferred contact of the business lines for all subjects regarding the identification or interpretation of laws, regulations, professional obligations, or instructions given by the management (regarding compliance).

The Compliance Function may therefore be contacted by all members of the Management or by business line managers regarding any matter within its area of expertise. In the framework of these contacts, the Compliance Function is authorised to express opinions regarding compliance and give advice to ensure compliance with ethical, professional, regulatory or

legislative standards, or instructions from the management in terms of compliance.

All operational teams should provide their assistance in order to ensure the satisfactory progress of the missions of the Compliance Function focusing on:

- Protecting COVEA FINANCE against any risk of non-compliance;
- Ensuring a constant improvement of the processes and the quality of service provided to COVEA FINANCE's clients.

## **5. Interactions of the Compliance Function with the regulators**

As a general rule, the Permanent Control and Compliance Officers are the preferred contacts of the regulators (AMF, ACPR, CNIL, etc.); in this capacity they interact with the latter and manage relations on a day-to-day basis.

For investigations carried out by the Management in charge of monitoring market transactions, requests are sent to the Permanent Control Officer. A governance is set up between the Permanent Control Officer, the Compliance Officer and the Managing Director in charge of support and control functions to discuss the responses to be made.

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