

A large, ornate fountain with multiple tiers and statues, set against a blue sky with light clouds. The fountain is the central focus of the background image.

# POLICY

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## COVÉA FINANCE COMPLIANCE

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## I. Roles and responsibilities of Covéa Finance's Compliance Function

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

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

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

### o **Notion of the risk of non-compliance:**

The Compliance Function is responsible for identifying the risks of non-compliance within Covéa 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 Covéa 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.

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

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

Covéa Finance should also respect the standards of the profession published notably through the Association Française de la Gestion (French Asset Management Association) in the form of ethical codes and rules.

Lastly, the Compliance Function should also take into account the internal regulations formulated by Covéa Finance management, including them in the corpus of applicable standards.

## II. Organisation of the Compliance Function

Covéa Finance has set up a Compliance and Internal Control system structured around four functions:

- The Compliance Function in charge of advising and assisting with the implementation of legal and regulatory obligations, and steering the control system;
- 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 1a control.

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

### Positioning of the Compliance Function:

The Compliance Function is led by the Head of Legal, Compliance and DPO (ICCO), who reports directly to the General Management of Covéa Finance. It must be guaranteed that the Internal Control and Compliance Officer (ICCO) is able to perform their duties independently. The function must have the resources and expertise necessary to perform its duties.

In this respect, the ICCO (head of Legal, Compliance and DPO) submits an annual report to general management to report on the operational implementation of this policy.

Compliance also participates in the Audit and Compliance Committee (COMAC), which is responsible for overseeing Covéa Finance's control programme.

## Main duties of the Compliance Function:

The Compliance Function participates throughout the process of identifying and controlling non-compliance risks, and more specifically in the following stages:

- Updating of risk maps and implementation of the Compliance team's control plan
  - Mapping of regulatory non-compliance risks for all Covéa Finance business lines,
  - Thematic mapping: anti-corruption/SAPIN II, etc.
  - Identification of regulatory issues relating to new products or significant changes in the company's organisation and to all company projects that might generate a non-compliance risk
  - Assessment of the opportunity of introducing new policies or other internal directives, and monitoring of the updating of these policies or other internal directives in connection with the regular analysis of non-compliance risk and the monitoring work carried out;
  - Regulatory watch, impact assessment and support: Monitoring changes in legal, regulatory and professional obligations; Conducting the impact assessment covering changes in legal, regulatory and professional obligations; Establishment and deployment of tools to ensure that regulatory obligations are met (proposal of target operating model, implementation of reasonable due diligence and non-compliance risk management processes);
  - Alerting management and operational staff to significant risks identified and regulatory changes affecting the company's organisation;
  
- Coordination of responses to the regulator:
  - Monitoring of AMF investigations;
  - Updating of information on ROSA;
  - Monitoring of controls performed by the AMF;
  - Follow-up of any corrective action.
  
- Training
  - Team training and awareness building with regard to regulatory requirements;
  - Ad hoc training designed to promote the improvement of practices (control results, incidents, audit findings, etc.)
  
- Expertise and regulatory projects:
  - Overseeing regulatory projects or providing expertise on regulatory and compliance aspects of projects managed by the business lines; training and raising staff awareness of regulatory requirements;
  - Advice and assistance to the operational staff involved in carrying out their duties so that they can perform the tasks entrusted to them in accordance with their professional obligations.
  - Participation in the development of the company's policies and procedures relating to the activities of collective management, discretionary management

and marketing of collective investments, including regarding the remuneration policy;

- Upstream participation in committees, and ad-hoc meetings on new projects/products.

- Control

- Monitoring of alerts, anomalies and complaints;
- Monitoring of the compliance control programme;
- Monitoring of the whistle-blower system
- Implementation of the AML/CTF system;
- Implementation of the anti-corruption system;

### III. Compliance Function's Interactions with the Internal Control Function.

In order to ensure the effectiveness of Covéa Finance's Compliance and Internal Control system, these two teams remain separate and independent from each other. For reasons of efficiency, the Compliance Function nevertheless coordinates with permanent control in order to ensure the oversight of Covéa Finance's risks, in particular in connection with maintaining the consolidated risk mapping: identification, assessment and updating of non-compliance risks by the Compliance division and consolidation and maintenance of the overall mapping by Permanent Control.

### IV. Compliance Function's interactions with the business lines

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

The Compliance Function may therefore be contacted by all members of Management or division 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 performance of the Compliance Function's duties, focusing on:

- Protecting Covéa Finance against any risk of non-compliance;
- Protecting its accountable managers and all its employees;
- Helping to ensure the long-term continuity of Covéa Finance's business for the benefit of its customers;
- Ensuring the continuous improvement of processes and the quality of services provided to Covéa Finance's customers.

The Compliance Function is entitled to access all information it deems relevant for the performance of its function.

## V. Compliance Function's interactions with regulators

As a general rule, the heads of the Permanent Control and Compliance Functions 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 ICCO.