

August 2023

EXCLUSION POLICY

SG 29 HAUSSMANN

THE FUTURE
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SOCIETE GENERALE
Private Banking

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1. PREAMBLE

As a responsible investor, SG 29 Haussmann applies a targeted exclusion policy. This policy applies to equities and bonds held directly by SG 29 Haussmann (unless indicated otherwise). The exclusion policy is defined and periodically reviewed by an ESG¹ committee.

SG 29 Haussmann therefore excludes certain companies due to:

- Its adherence to certain guiding principles and international standards
- Its desire to divest from certain controversial sectors
- Its vigilance in terms of controversy and sustainability risk management

By implementing a policy of excluding companies which practices are considered controversial from an environmental, social and/or governance point of view for some of its investment strategies, SG 29 Haussmann aims to mitigate sustainability risks. In addition, when a fund follows a socially responsible investment (SRI) approach, sustainability risk management is all the more central, and certain additional exclusions may apply. However, there is no guarantee that sustainability risks will be completely neutralised.

¹ Environment, Social, Governance

2. EXCLUSIONS BASED ON INTERNATIONAL STANDARDS AND REGULATION

2.1. Exclusion of companies violating the UN Global Compact

SG 29 Haussmann applies the 10 guiding principles of the United Nations Global Compact² on: Human Rights, Labour Law, Environment and Anti-Corruption. Any company that does not respect these principles is excluded from the investment universe of SG 29 Haussmann.

This exclusion is guaranteed by the exclusion of companies included in the Environmental and Social exclusion list of the Société Générale Group resulting from extractions from external data providers (Sustainalytics and ISS) and updated every semester.

2.2. Exclusion of companies violating the OECD Guidelines for Multinational Companies³ and/or other « very severe » controversies

We exclude from our investment universe any company exposed to a “very severe” controversy. This exclusion is guaranteed by the exclusion of “red flag” controversies according to MSCI⁴.

An ESG (Environment, Social and Governance) controversy can be defined as an incident or situation involving a company facing allegations of negative behaviour towards various parties (employees, suppliers, communities, the environment, shareholders, or society at large). The aim of ESG Controversies research is to assess the seriousness of these situations. For each issuer, the ESG rating is accompanied by a controversy indicator:

- Green flag: indicates less significant disputes or that there is nothing to report.
- Yellow flag: indicates a dispute worth reporting.
- Orange flag: indicates one or more recent serious disputes that are still ongoing.
- Red flag: indicates at least one very serious dispute (including non-compliance with the UN Global Compact guidelines and the OECD guidelines for multinational enterprises).

SG 29 Haussmann applies the OECD Guidelines for Multinational Enterprises, a full, government-endorsed instrument on corporate responsibility. Any company that does not comply with these principles is therefore, as mentioned above, excluded from SG 29 Haussmann's investment universe.

² See the 10 principles in detail [here](#)

³ See the OECD Guidelines for Multinational Enterprises [here](#)

⁴ MSCI is a financial and extra-financial data provider chosen by SG 29 Haussmann.

2.3. Exclusion of companies violating the Ottawa and Oslo conventions

In accordance with the obligations of the Ottawa (1999) and Oslo (2008) conventions applicable to all French asset management companies, SG 29 Hausmann excludes companies active in the following weapons, which are considered prohibited or controversial:

- Anti-personnel landmines, cluster bombs or their key components, depleted uranium munitions as well as biological, chemical, nuclear or radiological weapons.

This exclusion is guaranteed by the exclusion of companies included on the Société Générale Group's Environmental and Social Exclusion List, which is extracted from external data providers (Sustainalytics and ISS) and updated every six months.

3. SECTORAL EXCLUSIONS

3.1. Thermal Coal

SG 29 Hausmann is committed to a complete phase-out of the thermal coal sector by 2030 for EU and OECD countries and 2040 for the rest of the world, while stepping up its dialogue with the companies concerned to encourage greater transparency.

As part of this gradual withdrawal, companies with the following characteristics are excluded from the investment universe:

- More than 10% of their turnover is generated by the extraction of thermal coal (Source: MSCI ESG Manager).
- Members of the energy sector where more than 30% of their electricity production comes from coal (Source: MSCI ESG Manager).
- Those developing new thermal coal mines, new coal-fired power generation capacity or new transport projects dedicated to thermal coal (Source: Urgewald Global Coal Exit list (List provided by the NGO Urgewald)).

3.2. Unconventional oil and gas

In application of the objective of carbon neutrality by 2050, SG 29 Hausmann excludes from its investment universe companies whose turnover is more than 10% linked to the exploration and production of tar sands, oil or gas produced in the Arctic or shale oil or gas (Source: MSCI ESG Manager).

SG 29 Hausmann has also set itself the ambition of gradually strengthening this policy, with the aim of achieving total exclusion between 2025 and 2030.

3.3. Tobacco

In 2022, SG 29 Hausmann signed the Tobacco-Free Finance Pledge and committed to gradually withdrawing from the tobacco sector. In this context, all tobacco producers, and suppliers with an exposure equal to or greater than 15% of sales are excluded from the universe (Source: MSCI ESG Manager).

3.4. Palm Oil

As part of the Finance for Biodiversity pledge, SG 29 Haussmann has defined a biodiversity strategy. Considering palm oil production to be one of the main sources of deforestation and, consequently, of biodiversity loss, SG 29 Haussmann excludes palm oil producers and distributors (i.e. mills, traders and refiners) of palm oil from the first euro of sales from this activity, with the exception of palm oil producers certified by the Roundtable Sustainable Palm Oil (RSPO) with a minimum certification level of 70%, and with a commitment to reach 100% by 2030 (Source: MSCI ESG Manager).

4. EXCLUSIONS APPLIED TO SPECIFIC SCOPES

4.1. Exclusion of issuers with inadequate sustainability risk management practices

Sustainability risks are linked, among other things, to climatic hazards (the “Physical Risks”) or to society's response to climate change (the “Transition Risks”), which may lead to unexpected losses that could affect the investments made by the funds. Social hazards (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or lack of governance (e.g. significant and repeated breaches of international agreements, corruption issues, product quality and safety, sales practices, etc.) can also give rise to Sustainability Risks.

SG 29 Haussmann, through the ESG analysis carried out by its partner MSCI, assesses issuers' sustainability risk management. It provides an assessment of a company's position in relation to sustainable development issues by assigning a score on the three ESG pillars and then an overall aggregate ESG score. The aim of this rating is to identify the companies that are doing the best job of limiting the ESG risks they face and seizing the opportunities offered by sustainable development.

Each analysed company receives an ESG rating on a scale from AAA to CCC (CCC being the lowest). In this context, issuers with an ESG rating equal to CCC are excluded. This exclusion applies to all SG 29 Haussmann funds, apart from delegated management funds.

4.2. Exclusions specific to SRI⁵ funds

For funds and mandates following a Socially Responsible Investment (SRI) process, SG 29 Haussmann is committed to excluding issuers whose turnover is more than 15% linked to the following activities: Gambling, Adult content, GMOs, Weapons (Source: MSCI ESG Manager).

This exclusion is applied to all SG 29 Haussmann's funds that have received the “Label ISR” (an SRI label delivered by the French ministry of economy and finance) apart from delegated management funds⁶.

⁵ Socially Responsible Investment

⁶ 29 Haussmann Equilibre, 29 Haussmann Euro Rendement, 29 Haussmann Euro Crédit, 29 Haussmann Sélection France, 29 Haussmann Sélection Europe, 29 Haussmann Sélection Monde et 29 Haussmann Actions Europe.

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<https://sg29hausmann.societegenerale.fr/en/>

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