

Exclusion Policy

Context

Covéa Finance's exclusion policy is in line with its continuous commitment to gradually considering Environmental, Social and Governance criteria in its investment process.

In this context, in accordance with the recommendations of the AFG (French Asset Management Association) on the ban on financing Cluster Munitions and Anti-Personnel Land Mines, Covéa Finance excludes any direct investment in shares or bonds in companies involved with controversial weapons:

- Cluster Munitions and Anti-Personnel Land Mines as defined in the Ottawa Convention (1997) and the Oslo Convention (2008)
- Bacteriological and/or chemical weapons

Beyond these normative exclusions, Covéa Finance has also defined sectoral exclusions, pledging to exclude tobacco-producing companies as well as those that generate more than 5% of their direct sales in the gambling and betting sector.

Furthermore, Covéa Finance agrees to exclude from its investments:

- Energy companies whose electricity production is generated for over 30% by coal (i.e. thermal coal), with the exception of those who have made clear commitments to reduce the proportion to below this threshold by 2025. For the latter, Covéa Finance will check the reduction of the proportion of coal in the electricity produced at least annually through shareholder dialogue.
- Companies deriving more than 30% of their turnover from coal.

The 120 companies identified by the NGO Urgewald as being the most active in terms of developing new coal-fired power stations (the list called "Coal Plant Developers") will also be excluded.

For its bond exposures, Covéa Finance will cease any new investments in the companies referred to above and reserves the right to retain the securities already invested until maturity (with a maximum term of 2025).

Covéa Finance's exclusion policy is revised annually.

Scope of application

Exclusion refers to securities issued by the company, independently of other companies in the parent group (parent company, subsidiaries).

Covéa Finance undertakes to observe this exclusion policy in all of its collective investment schemes and mandates.

Operating Procedure

Covéa Finance compiles the list of exclusions by a process of identifying and applying the predefined scope of exclusion, based on data provided by an independent external provider and its own internal research.

The list of excluded securities is subject to review at least on a quarterly basis.

Application and control

Automatic pre-order blocking is ensured for all securities featured in the list of exclusions.

Periodic reviews of the portfolios are carried out by the Head of Compliance and Internal Control to subsequently ensure full compliance with the exclusion policy for all securities held by Covéa Finance.

Covéa Finance strives to strictly enforce its exclusion policy. The comprehensiveness of the list of exclusions depends mainly on the investment universe covered by our external provider and the information published by companies.