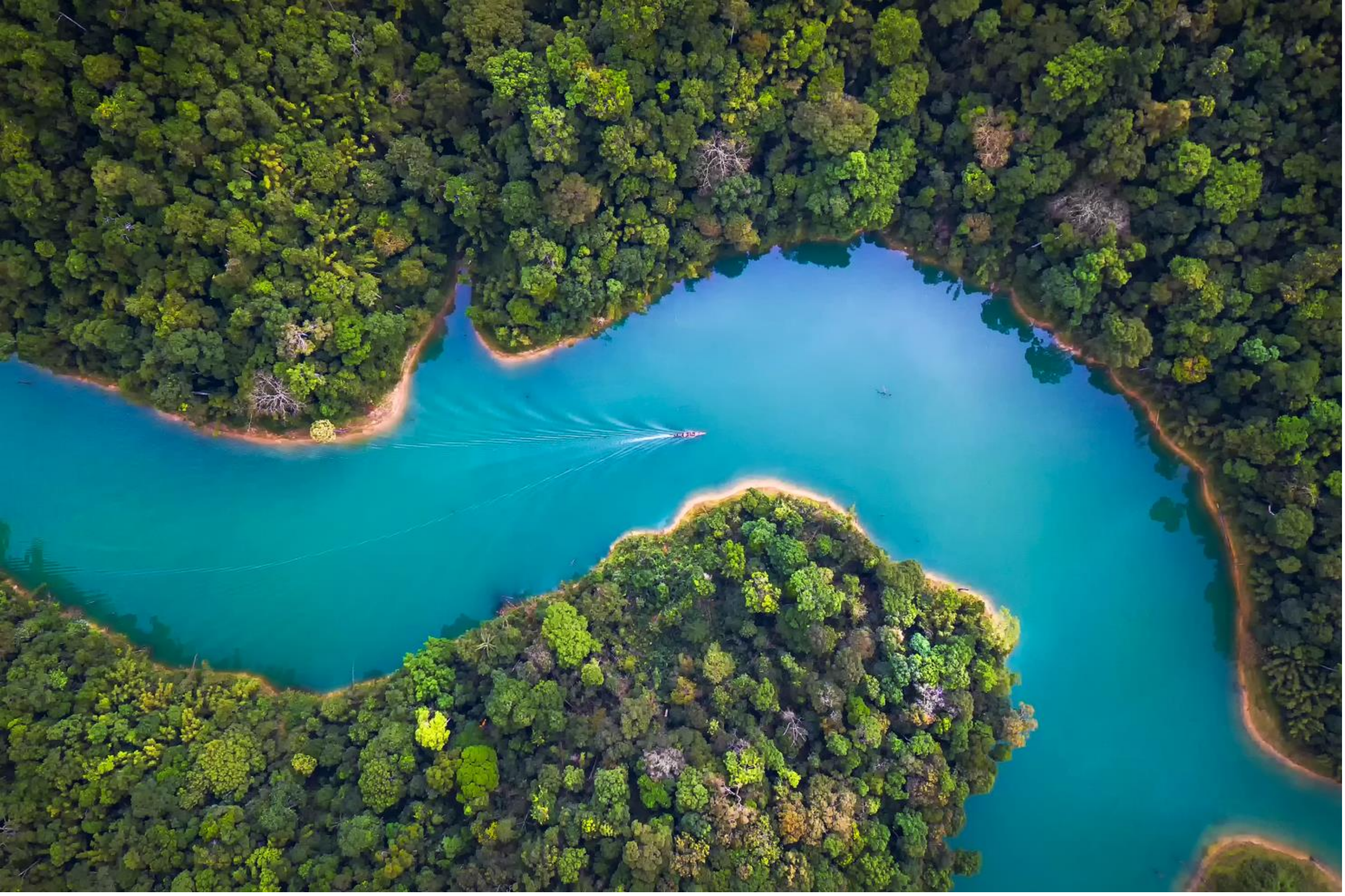

SUSTAINABILITY RISKS AND PRINCIPAL ADVERSE IMPACTS MANAGEMENT POLICY

Société Générale Luxembourg

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CONTENTS

I. INTRODUCTION

"Our *raison d'être* is to work with our clients to build a better, sustainable future by providing responsible, innovative financial solutions."

Raison d'être of the Société Générale group

Economic development is no longer conceivable without environmental and social progress.
It is also up to major companies to propose the next virtuous models, those that encourage positive transformations in the world.

Societe Generale is fully aware of its responsibility as a banker.
Our Group has a leading role to play in helping to build more ecological and inclusive development models and to enable the emergence of new drivers of sustainable growth.

1. PRESENTATION OF SOCIÉTÉ GÉNÉRALE PRIVATE BANKING LUXEMBOURG

Société Générale Private Banking Luxembourg ("SGPB Luxembourg") is part of the legal entity SG Luxembourg and is attached to Société Générale Private Banking ("SGPB"), the private banking division of the Societe Generale group. SGPB also operates in France and in various other countries, namely (i) Société Générale Private Banking (Monaco) and (i) Société Générale Private Banking (Switzerland), which together with Société Générale Luxembourg are referred to as the "SGPB Entities".

In addition, Société Générale Private Banking comprises two management companies, SG 29 Haussmann ("SG29H") and Société Générale Private Wealth Management ("SGPWM").

In line with the Group's *raison d'être*, the SGPB Entities aim to contribute to a more sustainable world through the products and services they offer, thereby enabling their institutional and private clients to contribute to positive and necessary change.

2. SCOPE OF ACTIVITIES COVERED BY THE POLICY FOR MANAGING SUSTAINABILITY RISKS AND ADVERSE IMPACTS ON SUSTAINABILITY

In the course of its activities, each SGPB Luxembourg entity acts as a financial market actor[1], providing portfolio management services, and as a financial investment advisor[2].

This document ("Policy for managing Sustainability Risks and consideration of Principal Adverse Impacts") has been prepared in accordance with Articles 3 and 4 of the European Union Regulation 2019/2088 on sustainability-related disclosure in the financial services sector ("**SFDR**").

It should be noted that this "Policy for managing Sustainability Risks and consideration of Principal Adverse Impacts" does not cover either the Reception-Transmission of Orders (i.e. simple execution without advice) or the execution of client orders, as part of the Prime Market Access and Direct Market Access offers. Currencies, commodities, derivatives, structured products on interest rates, currencies, commodities or indices and other products such as real estate, private equity, art and wine banking are outside the scope of this policy.

In the context of portfolio management services, management of sustainability risks covers several financial instruments:

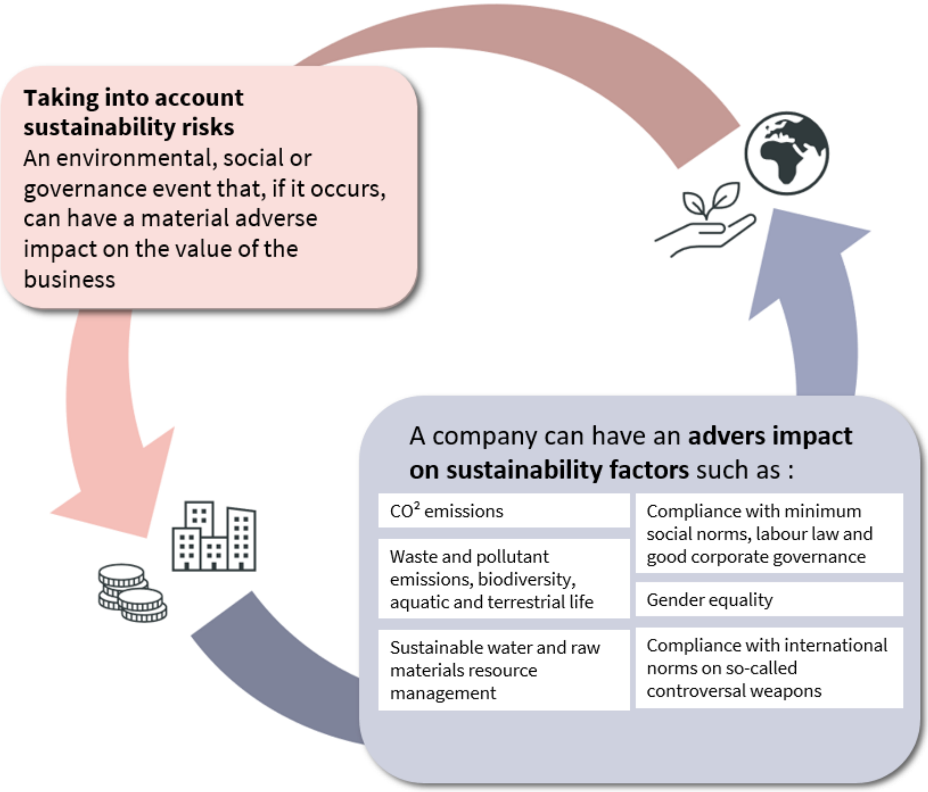
- Shares and bonds issued by companies,
- Single underlying structured products (where the underlying is a single share or bond) or a basket of underlying securities (where the underlying is a basket of shares or bonds),
- Single underlying derivative products (where the underlying is a single share or bond) or a basket of underlying securities (where the underlying is a basket of shares or bonds),
- Investment funds.

[1] As defined in article 2 (1) of SFDR
[2] As defined in article 2 (11) of SFDR

II. THE PRINCIPLE OF DOUBLE MATERIALITY AND OUR POLICY FOR MANAGING SUSTAINABILITY RISKS AND CONSIDERATION OF ADVERSE IMPACTS ON SUSTAINABILITY

The purpose of this document is to describe how SGPB Luxembourg takes into account **the principle of double materiality** in its third-party management and financial investment advisory processes and to what extent SGPB Luxembourg assesses, integrates and manages the principal adverse impacts of its investment or advisory decisions on "**sustainability factors**".

The term "**double materiality**" is used when management takes into account both **sustainability risks** and **adverse impacts on sustainability factors.**



1. SUSTAINABILITY RISKS AND ESG CRITERIA

"**Sustainability risk**" refers to an environmental, social or governance event or situation which, if it occurred, could have a significant adverse impact on the value of the investment. Sustainability risk is considered an external event and is a factor that can contribute to other risks (market risk, operational risk, liquidity risk, etc.).

In the same way as market risk, counterparty risk or liquidity risk, which are financial risks, sustainability risks should be taken into account when making any investment such as:

Transition risks	Resulting from the effects of implementing a low-carbon economic model (regulatory and legal risks, technological risks, reputational risks and market opportunity risks).
Physical risks	Resulting from damage caused by extreme climatic and meteorological phenomena. These can be acute (due to natural events such as fires) or chronic

	(linked to rising temperatures and long-term geographical changes such as rising sea levels). They include heat waves, cold snaps, droughts, tropical cyclones, fires and floods.
Social risks and risks to fundamental human rights	Negatively impacting workers and the communities around them (forced labour and slavery, child labour, respect for indigenous peoples and their cultural heritage, property rights, discrimination, freedom of association, health and safety, decent working conditions, remuneration and social protection, right to privacy).
Governance and other ethical risks	Sanctions and embargoes, terrorism, corruption and influence peddling, appropriation of resources, tax evasion, data protection.

In order to assess the expected return on a financial product, financial information about the product's issuer (usually a company) must be supplemented by extra-financial analysis of Environmental, Social and Governance criteria, known as "ESG" extra-financial criteria.

These are the three pillars of the analysis carried out by SGPB Luxembourg to assess the extent to which an issuer of a financial product **integrates and manages its sustainability risks**:

THE ENVIRONMENTAL CRITERION ("E")	THE SOCIAL CRITERION ("S")	THE GOVERNANCE CRITERION ("G")
includes in particular: ▪ energy efficiency ▪ reducing greenhouse gases ▪ and waste treatment.	is particularly concerned with: ▪ respect for human rights, ▪ respect for workers' rights ▪ and human resources management (employee health and safety, diversity).	relates in particular to: ▪ the independence of boards of directors ▪ management remuneration ▪ and respect for the rights of minority shareholders.

2. SUSTAINABILITY FACTORS AND INDICATORS

By "**sustainability factors**" we mean the factors taken into account by companies and governments to contribute to sustainable development, such as:

IN THE ENVIRONMENTAL FIELD	IN THE SOCIAL AND GOVERNANCE FIELD
▪ The quality of the biosphere, such as the state of the climate, air and water; ▪ The preservation of forests, oceans or the richness of biodiversity; ▪ etc.	▪ Working conditions, such as decent work, respect for human rights, gender equality and the fight against corruption; ▪ Human conditions, such as the preservation of peace, respect for fragile communities and populations, access to health, drinking water and food; ▪ etc.

These sustainability factors are reflected in the United Nations' 17 Sustainable Development Goals:
Sustainability risks can have a significant adverse impact, potential or real, on the value of an investment.

Conversely, an investment decision can have an adverse impact in terms of sustainability.

Adverse impacts on sustainability factors

The issuers selected for the portfolios may cause damage to the sustainability factors through their activities and corporate behaviour.

Here are a few indicators that can be used to assess the impact on sustainability factors:

- **In the environmental field**: issuers' GHG (greenhouse gas) emissions, their pollution management, their waste management.
- **In the social and governance field**: the consideration by international companies of the United Nations Global Compact[3], the gender pay gap, diversity in governance bodies and exposure to controversial weapons[4].

SGPB Luxembourg has formed partnerships to develop its extra-financial research:

- **MSCI**, which in particular makes it possible to define ESG ratings and ESG controversy ratings for companies, but also to apply a filter linked to our sector policy (exclusion of certain players in energy, tobacco, etc.).
- **Trucost**, which provides access to issuers' climate data (carbon footprint, alignment with the Paris Agreement commitments).

[3] The United Nations Global Compact asks companies to align their strategies and operations with 10 universal principles relating to human rights, labor, the environment and anti-corruption.
[4] Controversial weapons include various types of armaments banned by international conventions or European Union regulations, such as certain cluster munitions, anti-personnel mines, biological or toxin weapons, chemical weapons and depleted uranium mines.

The ESG rating

This ESG analysis, regularly updated by data provider MSCI, provides **an assessment of issuers' positioning with regard to sustainability issues**.

This assessment takes the form of a rating for each of the three ESG pillars, followed by an overall aggregate ESG rating. The aim of this rating is to assess issuers in terms of their management of ESG risks and their ability to seize opportunities linked to sustainable development.

Each issuer analysed receives a rating on a scale from AAA to CCC (CCC being the lowest). This rating enables issuers in the same sector to be compared in terms of how well they take sustainability risks into account.

The ESG controversy rating

This is one of the indicators used to **assess the way in which an issuer undermines sustainability factors**, and is provided by MSCI.

An ESG controversy can be defined as an incident or situation faced by a company following allegations of negative behaviour towards various parties (employees, communities, the environment, shareholders, society at large), due to poor practices with regard to one or more of the ESG indicators.

The controversy rating is also a measure of vigilance with regard to the reputational or operational risks to which issuers are exposed when they directly or indirectly contravene the 10 principles of the United Nations Global Compact in the areas of human rights, international labour standards, the environment and anti-corruption.

A very serious controversy can result in heavy financial penalties. The objective of the ESG controversy analysis is to assess the severity of the adverse impact of each event or situation on the investment.

The following sections describe how SGPB Luxembourg manages the sustainability and adverse impacts risks in its portfolio management and investment advisory activities.

III. MANAGEMENT OF SUSTAINABILITY RISKS AND CONSIDERATION OF PRINCIPAL ADVERSE IMPACTS FOR PORTFOLIO MANAGEMENT AND INVESTMENT ADVICE ON NON-FUND FINANCIAL SECURITIES

SGPB Luxembourg defines an investment universe that integrates the monitoring of sustainability risks and the management of relative adverse impacts into its selection process for:

- Shares and bonds issued by companies or governments
- Single underlying structured products (where the underlying is a single share or bond) or a basket of underlying securities (where the underlying is a basket of shares or bonds).
- Single underlying derivative products (where the underlying is a single share or bond) or a basket of underlying securities (where the underlying is a basket of shares or bonds).

1. MANAGEMENT OF SUSTAINABILITY RISKS AND ADVERSE IMPACTS FOR THE DEFINITION OF THE INVESTMENT UNIVERSE

1.1 MANAGEMENT OF SUSTAINABILITY RISKS

To define the investment and investment advisory universe for direct securities (non-fund shares and bonds) SGPB Luxembourg applies the following Société Générale[5] group **sector policies**:

DEFENCE AND SECURITY POLICY *referred to as the "Environmental & Social Exclusion list" (Controversial defence)*
Aims to exclude issuers involved in controversial weapons (anti-personnel mines, cluster bombs or their key components, depleted uranium munitions, as well as biological, chemical, nuclear or radiological weapons).

THERMAL COAL SECTOR POLICY
Aims to exclude companies whose revenue from thermal coal mining activities exceeds 10% and companies in the energy sector where more than 30% of electricity generation (energy mix) is derived from thermal coal, or with plans to expand coal infrastructure (developers of new coal-fired electricity generation capacity of at least 100 MW; or developers of new coal mines or planning a significant increase in annual thermal coal production of at least 1 Megatonne; or developers of coal transport activities or other coal-related infrastructure such as coal-to-gas facilities). Including financial subsidiaries that are more than 50% owned, where these do not have ESG metrics at their level.

[5] https://investors.societegenerale.com/fr/base-documentaire?theme=rse&category=politiques-sectorielles

INDUSTRIAL AGRICULTURE AND FORESTRY SECTOR POLICY
Aims to exclude: - Companies producing or distributing palm oil, with the exception of palm oil producers certified by the Roundtable Sustainable Palm Oil with a minimum certification level of 70% and with a commitment to be at 100% before 2030. - Tobacco companies (from the 1st euro) and their suppliers or distributors (from 15% of revenue). Including financial subsidiaries that are more than 50% owned, where these do not have ESG metrics at their level.

STANDARDS POLICY *"Environmental & Social Identification list"*
Aims to exclude companies involved in one or more controversial cases involving a violation of the principles of the United Nations Global Compact, inspired by international conventions and declarations on ESG issues.

"UNCONVENTIONAL OIL AND GAS" SECTOR POLICY
Aims to exclude companies whose revenue is more than 10% linked to the exploration and production of unconventional hydrocarbons; this includes revenue from oil sands, oil shale, shale gas and oil, coal seam gas, coal bed methane and gas and oil produced in the Arctic. Including financial subsidiaries that are more than 50% owned, where these do not have ESG metrics at their level.

"CONVENTIONAL OIL AND GAS" SECTOR POLICY
Aims to exclude companies that are purely specialised in the oil and gas sector and derive more than 90% of their revenue from production or exploration activities.

1.2 MANAGEMENT OF ADVERSE IMPACTS

The investment universe incorporates management of adverse impacts on sustainability factors by excluding issuers that undermine:

The climate	By excluding companies involved in coal, and more specifically companies whose revenue is more than 10% linked to the extraction of thermal coal, or which belong to the energy sector and more than 30% of their electricity production comes from thermal coal, or which are developers of thermal coal.
Human health	By excluding issuers of financial securities involved in the tobacco business, and more specifically tobacco producers from the 1st euro of revenue and tobacco distributors when 50% of their revenue comes from this business.
Biodiversity	By excluding companies producing or distributing palm oil, with the exception of palm oil producers certified by the Roundtable Sustainable Palm Oil with a minimum certification level of 70% and a commitment to reach 100% certification by 2030.

International standards on human and labour rights	By excluding issuers with a very severe ESG controversy rating.
International standards on controversial weapons	By excluding issuers involved in this sector.

Exclusion of issuers whose revenue represents more than 15% of the following activities:

Defence and arms	**Gambling**	**Pornography**

Moreover, the financial analysis is systematically supplemented by an ESG analysis of issuers, as provided by our partner MSCI. SGPB Luxembourg excludes issuers with the lowest ESG rating (CCC and B).

2. INTEGRATION OF SUSTAINABILITY RISKS AND ADVERSE IMPACTS IN PORTFOLIO MANAGEMENT ON NON-FUND FINANCIAL SECURITIES

SGPB Luxembourg is committed to offering its clients responsible portfolio management solutions.
Once the investment universe has been defined, the investment process systematically considers the ESG criteria of each issuer that could be included in a responsibly managed portfolio.

The managers select issuers using a combined approach:

"BEST IN CLASS"	+	"BEST EFFORT"
Selection of leaders in terms of ESG practices in their sectors		Selection of companies in a process of transition and improvement of ESG practices.

This selection is based on the extra-financial research of SGPB Luxembourg's various partners.

IV. INTEGRATION OF SUSTAINABILITY RISKS AND CONSIDERATION OF PRINCIPAL ADVERSE IMPACTS FOR THE SELECTION OF LISTED INVESTMENT FUNDS (UCITS, AIF)

1. CONSIDERATION OF SUSTAINABILITY RISKS

SG Luxembourg works on an open architecture basis and selects investment funds managed by third-party management companies. The selection process for these funds is based on:

- Analysis of the management company itself, including a minimum annual rating, based on a questionnaire including points relating to its ESG policy and its United Nations Principles for Responsible Investment (UNPRI) rating, supplemented where appropriate, if the management company is listed or belongs to a listed group, by its ESG rating, its ESG controversy rating and elements of reputation;
- Fund analysis, which consists of analysing financial data such as the level of assets under management, the track record and quality of management, and financial performance.

On this basis, a list of 150 to 200 investment funds on average is drawn up for inclusion in SGPB Luxembourg's investment universe.

In addition, an internal methodology for rating the extra-financial data of the investment funds in the SG Luxembourg investment universe has been developed. It consists of:

- Ex ante, assessing the funds on criteria such as their ESG investment policy, the ESG standards of the management company and whether or not they have an official SRI label;
- Ex post, via the MSCI FundMetrics database, access to the funds' extra-financial data using a transparent approach (ESG ratings, controversies, sector exclusions, carbon intensity).

2. CONSIDERATION OF PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

SG Luxembourg's investment universe is made up of around 200 open-architecture investment funds, i.e. funds managed either by management companies external to the Societe Generale group or internal funds managed by the management companies of its private bank (SG 29 Haussmann and Société Générale Private Wealth Management). All the funds selected are subject to an ESG analysis based on the analysis of the management companies and the funds themselves.

The activities concerned are portfolio management and investment advice.

Concerning funds marketed by SGPB Luxembourg and produced by in-house Asset Managers:

For in-house funds managed by Societe Generale group management companies, SG Luxembourg takes into account adverse impacts on sustainability factors in its investment advisory activity.

The principal adverse impacts are taken into account by ensuring that the funds comply with the exclusion policies used to define the investment universe described in section III.1.2.

Concerning funds marketed by SGPB Luxembourg and produced by external asset managers.

In the case of funds managed by asset managers external to the Societe Generale group, the principal adverse impacts are taken into account on the basis of the assessment of the ESG characteristics of these funds as provided:

- By the mutual fund's asset manager itself; or failing that
- By external ESG providers, including MSCI;
- as well as an ESG analysis specific to SG Luxembourg (e.g. evaluation of the ESG investment policy and ESG standards of the management company, the existence or not of an official SRI label).