**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**
Portfolio Management Mandate Personalised Signature (the **Mandate**)
**Legal entity identifier:**
TPS0Q8GFSZF45ZZFL873

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

# Environmental and/or social characteristics

| **Does this financial product have a sustainable investment objective?** | |
|---|---|
| ☐ **Yes** | ☒ **No** |
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

The Mandate promotes environmental and social characteristics through its **integration of extra-financial criteria in the investment process** and by **exclusions of certain sectors or activities**, that do not respect certain norms or values. By investing in this manner, the Mandate finances companies and public sector bodies contributing to sustainable development, regardless of their sector of activity.

Through its integration of ESG criteria, the Mandate promotes:

- Environmental characteristics: sustainable impact revenues, engagement towards Paris agreement, targeted reduction of $CO_2$ emissions;

- Social characteristics: gender diversity; respect for human rights;

- Alignment with the 17 Sustainable Development Goals (**SDGs**) adopted by the United Nations in 2015, with a target completion date set for 2030, through sustainable investments.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used are as follows:

- <u>ESG portfolio score</u>

  The score is based on how the issuers held in the portfolio manage their significant extra-financial risks. The ESG scores of the underlying assets are provided by the external ESG data provider MSCI.

- <u>Environmental indicators</u>
  - *Percentage of the portfolio invested in sustainable impact revenues*: This percentage indicates the share of companies' revenue that comes from products and services that help address social and environmental challenges. It is calculated as a weighted average, taking into account the portfolio weights and the percentage of revenue of each issuer related to sustainable impact solutions. For investments made through mutual funds, information is collected for each fund, and the final percentage of sustainable impact revenues is determined as the weighted average of the sustainable impact revenues of each asset and its weight in the portfolio.
  - *Carbon footprint of the portfolio*: This indicator measures emissions (Scopes 1 and 2) in tonnes of $CO_2$ per million euros of the company's revenue. For investments through mutual funds, the data is provided by MSCI for each invested fund. The final carbon footprint is calculated as the weighted average of the carbon footprint of each asset and its weight in the portfolio.

- <u>Social indicators</u>
  - *Gender diversity within governance bodies*: This indicator measures the rate of female representation on the boards of directors of the companies in the portfolio. For companies with a two-tier board structure, only the supervisory board is taken into account. For investments through mutual funds, the data is provided by MSCI for each invested fund. The final rate of female representation on boards of directors is calculated as the weighted average of female representation for each asset and its weight in the portfolio.
  - *Concerns about respect for Human Rights*: This indicator indicates whether companies comply with the main principles laid down by the United Nations in terms of human rights, in particular freedom of expression, civil liberties, the fight against discrimination and respect for minorities and communities. The

Mandate will not invest in issuers that are breaching UN Global Compact principles. For the investments via mutual funds, this indicator is monitored on a look-through basis. In case of finding any non-complying investments in the underlying mutual funds, the discussion about the investment is initiated with the external portfolio managers and can lead to the fund divestment.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

To identify the positive contribution to an environmental and/or social objective, Société Générale Investment Solutions (Europe)., in its capacity as investment manager (the **Investment Manager**), implements the framework of the SDGs and the EU Taxonomy.

The 17 SDGs aim to foster collaboration within private and public entities to address the global challenges such as poverty, climate change, inequality, or peace and justice. In order to identify the contribution, positive or negative, to an SDG, the issuer is assessed in terms of his operational and product alignment towards each of the 17 SDGs. Every company may contribute to the goals in a variety of ways (positively and negatively) and across several goals. The operational alignment assesses the extent to which an issuer addresses a specific SDG via its internal policies and practices, targets, performance metrics. The product alignment assesses the net impact of issuer's products or services to achieve a specific SDG. The data provider MSCI has been selected to measure this companies' alignment with the SDGs.

Each investment can be considered as sustainable or not sustainable (pass/fail approach). In order that an investment would be considered as sustainable, it must be aligned to at least one SDG without being misaligned to any other SDG, while respecting all the principles of the Investment Manager's ESG policy.

In addition, the Investment Manager takes into account the alignment of companies with the EU Taxonomy.

In case of investments via mutual funds, the Mandate's objectives of the sustainable investments will be those of its underlying's investment vehicles.

For the underlying mutual funds managed by external asset managers, the selection process of the mutual funds includes an analysis of these asset manager's definitions of sustainable investment.

For the underlying mutual funds which are managed by the Investment Manager, the latter implements the above-mentioned framework of the SDGs and the EU Taxonomy.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Mandate integrates ESG criteria into its investment policy and decisions. Through this, the Mandate ensures that the investments made do not cause significant harm (**DNSH**) to any of the environmental or social sustainable investment objectives and that the companies benefiting from these investments apply good governance.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The principal adverse impacts (**PAIs**) are taken into account based on several criteria through its exclusion policy and through the ESG integration policy.

In particular, the Mandate considers the following PAIs:

| | PAI | Measurement criteria | Consideration | Comment |
|---|---|---|---|---|
| 1 | **Greenhouse Gas Emissions** | Scope 1 GHG emissions | X | - Thermal Coal Sector Policy<br>- Unconventional Oil & Gaz<br>- Net Zero Asset Managers Signatory<br>- Integration of PAIs into ESG analysis for mutual funds |
| | | Scope 2 GHG emissions | X | |
| | | Scope 3 GHG emissions | X | |
| | | Total GHG emissions | X | |
| 2 | **Carbon footprint** | Carbon footprint | X | |
| 3 | **GHG intensity of investee companies** | GHG intensity of investee companies | X | |
| 4 | **Exposure to companies active in the fossil fuel sector** | Share of investments in companies active in the fossil fuel sector | X | |
| 5 | **Share of non-renewable energy consumption and production** | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage | | |
| 6 | **Energy consumption intensity per high impact climate sector** | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector | | |
| 7 | **Activities negatively affecting biodiversity-sensitive areas** | Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas | X | - Palm oil exclusion policy<br>- Biodiversity Pledge Signatory<br>- Integration of PAIs into ESG analysis for mutual funds |
| 8 | **Emissions to water** | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | | |
| 9 | **Hazardous waste ratio** | Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average | | |

| | | | | |
|---|---|---|---|---|
| 10 | **Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises** | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | X | - Controversies exclusion filter<br>- Integration of PAIs into ESG analysis for mutual funds |
| 11 | **Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises** | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | X | - Red Flag exclusion<br>- Integration of PAIs into ESG analysis for mutual funds |
| 12 | **Unadjusted gender pay gap** | Average unadjusted gender pay gap of investee companies | | |
| 13 | **Board gender diversity** | Average ratio of female to male board members in investee companies | x | - Engagement policy<br>- Integration of PAIs into ESG analysis for mutual funds |
| 14 | **Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)** | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | X | - Exclusions related to controversial arms<br>- Integration of PAIs into ESG analysis for mutual funds |

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

In accordance with the Société Générale Group's "Defense" sector policy, which meets the obligations of the Ottawa (1999) and Oslo (2008) conventions applicable to all French management companies, involved in activities related to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons) are excluded from the Mandate's investment universe.

In addition, and in accordance with the Investment Manager's investment policy, companies with a very severe controversy rating (red) according to the MSCI nomenclature are excluded from the investment universe. These exclusions guarantee full compliance with the OECD guidelines for multinational enterprises and the United Nations guidelines on business and Human rights.

For the investments via mutual funds, the investment manager monitors the compliance of the management company with these policies.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, the Mandate considers the PAI described in the table in section "How have the indicators for adverse impacts on sustainability factors been taken into account?". The information related to the PAIs on sustainable factors taken into account in the Mandate will be available within the annex "Environmental and/or social characteristics" of the periodic disclosure report. The periodic disclosure report will be available to the client on an annual basis in mail or electronic form.

☐ No

## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the Mandate is to provide midterm growth to investors from a diversified portfolio of investments. The Mandate aims at meeting the long-term challenges of sustainable development while delivering financial performance by the combination of financial and extra-financial criteria.

The Mandate may invest in equities, fixed income and alternative asset class, directly or via mutual funds. The strategic asset allocation depends on the investor profile.

The investment decisions are essentially driven by 3 factors:

- A top-down process: analysis of the current and expected macroeconomic environment (valuations, market momentum and technical indicators) that may lead to asset allocation adjustments.
- The convictions on specific sustainable themes, trends and markets opportunities.
- A bottom-up process, including ESG analysis, leading to the selection of specific securities.

The management company evaluates the ESG characteristics of ETFs and mutual funds. The ESG analysis includes, among other things, the analysis of the ETFs and mutual funds that underpin responsible policies and the analysis of the ESG characteristics of the underlying portfolios.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

At least 70% of the Mandate’s investments promote E/S characteristics. The Mandate will do at least 5% of the sustainable investments within the meaning of Regulation (EU) 2019/2088 (**SFDR**).

The Investment Manager addresses ESG factors throughout the investment process, including research, company engagement and portfolio construction.

The Investment Manager incorporates 1) an exclusion policy completed by 2) an ESG Integration policy.

1. **Exclusion policy**

In accordance with the investment policy of the Investment Manager, the Mandate excludes from the investment universe companies that have significantly and repeatedly violated any of the 10 principles of the United Nations Global Compact, or that engage in controversial activities such as thermal coal, controversial weapons, etc., or that are involved in one or more very serious recent controversies ("red flag" according to MSCI nomenclature). The detailed exclusions are outlined in the Sustainability Risk Policy: https://investmentsolutions.societegenerale.lu/en/regulation/

2. **ESG Integration Policy**

The MSCI rating takes into account all mandatory (environmental and social) indicators concerning PAI. For each company, the ESG rating methodology aims to assess the key factors within each of the three ESG pillars, considering both universal issues and specific issues that may have a financial impact on the company's performance. Each issue is examined from two main angles: the risks they pose to the company's operations and the development opportunities that may arise from their consideration. The Mandate follows a "best-in-class" approach by investing in issuers with an ESG rating of at least BB (leaders and average rating) on a scale from AAA to CCC (with CCC being the lowest rating).

In the case of investments made through mutual funds, PAI are considered based on the assessment of the ESG characteristics of the mutual funds using data provided by the mutual fund's asset manager, external ESG data providers, including MSCI, as well as proprietary ESG analysis.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

The good governance is assessed in several steps during investment process.

1. **Exclusion Policy**: Portfolio manager excludes companies that do not adhere to the principles of the United Nations Global Compact, those with high controversies, and those with the laggard ESG rating according to MSCI.

2. **Investment Selection**: The ESG rating is integrated into the selection process, where governance accounts for at least 30% of the total score. This assessment examines the company's management, employee relations, compensation practices, management structures, and compliance with tax obligations.

3. **Portfolio Assessment**: Portfolio manager checks the percentage of independent members on the boards of directors of the companies in the portfolio, as their independence is essential for aligning the interests of management and investors. This indicator is calculated on a weighted basis.

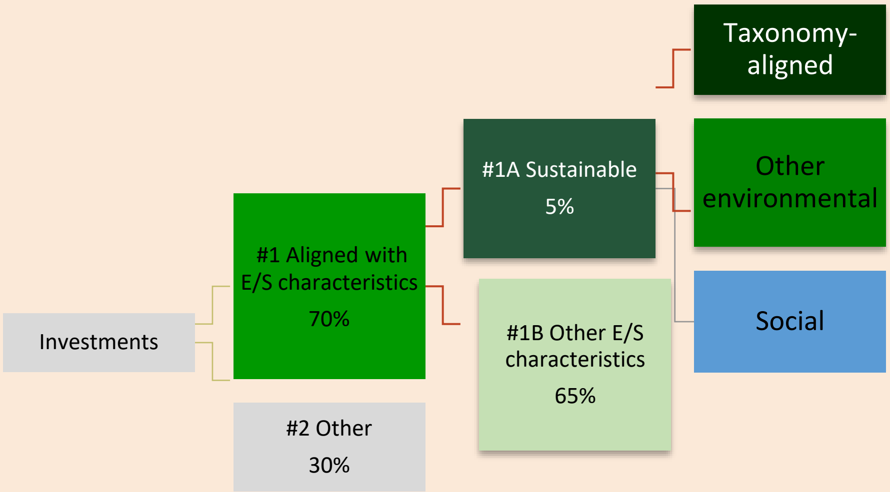
4. **Active Shareholder Policy**: Portfolio manager has established an engagement and voting policy, available on its website. The goal is to engage regularly with companies to improve their corporate responsibility and governance practices.

For investments through funds, good governance is analyzed based on the underlying funds. This includes adherence to the principles of the Global Compact, management of controversies, and analysis of governance practices.

## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

At least 70% of the Mandate’s net assets promote (E/S) characteristics. Among these investments aligned with E/S characteristics, the Mandate will make at least 5% of sustainable investments within the meaning of SFDR. The remaining proportion will be aligned with the E/S characteristics that do not qualify as sustainable investments.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

Not applicable.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Mandate does not currently commit to investing a minimum threshold of assets in sustainable investments with an environmental objective aligned with the EU taxonomy, but these investments may be part of the portfolio.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

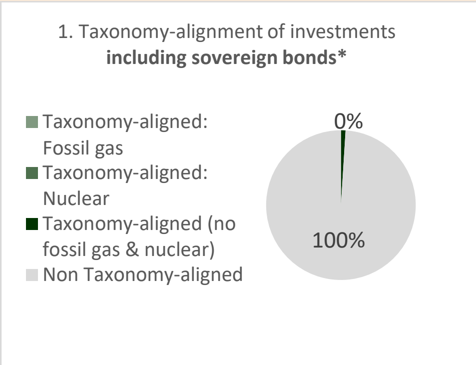
are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy

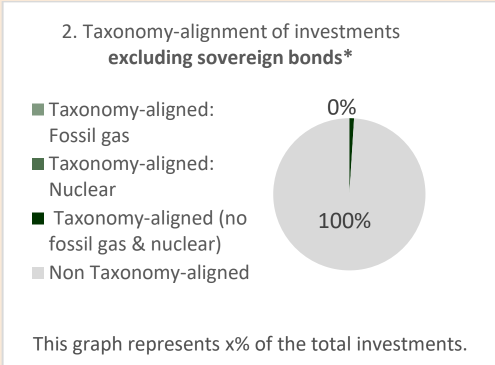
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

***What is the minimum share of investments in transitional and enabling activities?***

Not applicable.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Mandate invests at least 5% of assets in sustainable investments, typically across both environmental and social characteristics. It does not commit to any specific individual or combination of sustainable investment objectives and therefore there is no committed minimum share.

**What is the minimum share of socially sustainable investments?**

The Mandate invests at least 5% of assets in sustainable investments, typically across both environmental and social characteristics. It does not commit to any specific individual or combination of sustainable investment objectives and therefore there is no committed minimum share.

**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

Investments in the category '#2 Others' include cash, cash equivalents, alternative assets, and instruments not covered by the ESG data provider MSCI. Alternative assets include structured products, hedge funds, UCITS, and ETNs on commodities such as gold, with the primary objective of diversifying investments. All asset managers of mutual funds, ETFs, and ETNs are carefully analyzed to assess their investment and operational processes. Finally, instruments not covered by MSCI are subject to an ESG exclusion check in accordance with the Exclusion Policy.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

## Where can I find more product specific information online?

**More product-specific information can be found on the website:**

https://www.societegenerale.lu/en/societe-generale-luxembourg/information-and-publications/publication-sustainability-information/