

# Exclusion Policy

## **Context**

Covéa Finance's Exclusion Policy is in line with its continual commitment to gradually take into account Environmental, Social and Governance criteria in its investment process.

In this context, in accordance with the AFG's recommendations on the ban on funding Cluster Munitions and Antipersonnel Landmines, Covéa Finance excludes any direct investment in shares or bonds in companies involved in controversial weapons:

- Cluster Munitions and Antipersonnel Landmines within the meaning of 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 is committed to excluding from its investments:

- Energy companies with more than 30% of its electricity production being generated from coal (i.e. thermal coal), with the exception of those who have made clear commitments to reduce this share below this threshold by 2025. For the latter, Covéa Finance will verify, within the framework of a shareholder dialogue, the reduction of the share of coal in the electricity produced at least once a year.
- Companies deriving more than 30% of their turnover from coal.

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

For its bond exposures, Covéa Finance will cancel any new investment in the above-mentioned companies and retains the right to hold the securities already invested until maturity (with a maximum maturity 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 respect this exclusion policy in all its collective investment schemes and mandates.

## **Modus operandi**

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 quarterly.

## **Application and control**

An automatic blocking pre-order is ensured on all securities featured in the list of exclusions.

Periodic checks to the portfolios are carried out by the Head of Compliance and Internal Control to subsequently ensure the full enforcement of the exclusion policy on all securities held by Covéa Finance.

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