Gouvernance, Ressources, Transition Énergétique & Économique et Territoires

LBP AM Group Exclusion Policy

May 2023

La Banque Postale Asset Management (LBP AM) and Tocqueville Finance SA (TFSA) have formalised an exclusion policy which sets out the scope, themes and procedure for exclusion.

The principles of this policy are intended to apply independently to each of the two management companies of the LBP AM Group.

The policy of LBP AM and TFSA is applied in the same way to all UCIs within their own scope.

Table of contents

1 General principles

Engagement and exclusions

Objectives and connections

Engagement

LBP AM and TFSA give priority to engagement with companies to develop practices in the real economy, according to a clear and transparent framework of expectations applied to all assets under management.

Exclusions

Exclusions are nonetheless established in order to limit the exposure of LBP AM/TFSA to issuers whose activities or practices (i) are not compatible with our vision of a responsible economy, and (ii) which we believe are unlikely to change.

These decisions are taken on the basis of a common framework of rules and analysis for each GSP respectively through separate deliberations.

- Regulatory exclusions
- Sectoral exclusions
- Normative exclusions
- Specific exclusions

Summary of exclusions

Regulatory exclusions

- Controversial weapons:
  - companies involved in the production and/or marketing of anti-personnel mines, cluster bombs, biological, chemical, nuclear, depleted uranium, blinding and incendiary weapons, white phosphorous
- Speculative instruments on agricultural commodities*
- Exclusion of countries in the context of the fight against money laundering and the financing of terrorism *

NOUS SOUTENONS LE PACTE MONDIAL

Normative exclusions

- Companies that are in severe and repeated violation, without corrective measures, of the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights or the UN Global Compact Principles, where LBP AM and TFSA consider that exclusion is the best lever for reducing the risk of continued and future violations of the standards.

Sectoral exclusions

- Gambling : exclusion of the sector
- Tobacco : exclusion of the sector
- Thermal coal
  - Companies in the mining and utilities sectors which do not have a managed exit plan or are developing new projects and significantly exposed service companies
- Oil and gas:
  - Companies in the sector whose turnover is exposed to unconventional energy and companies that have not embarked on an energy transition
- Biodiversity:
  - Players in high impact sectors (energy; agri-foodstuffs, beverages, tobacco; materials; transport; public services and infrastructure) which have the most negative impact and do not show any effort to implement means to reduce it
- Deforestation:
  - companies in the sectors exploiting the main commodities at risk (palm oil, soya, cattle and their derivatives, rubber, wood and cocoa) which do not have an anti-deforestation policy, commitments, roadmap and reporting in line with the Accountability Framework

Specific Exclusions

- Companies that are poorly assessed on an ISR** dimension that may have a material impact for the company

* Specific implementation of the regulations in force by LBP AM and TFSA

** According to the LBP AM and TFSA analysis known as GREaT: **G**ouvernance, **R**essources naturelles et humaines, transition **E**nergétique, **T**erritoires [Governance, Natural and Human Resources, Energy Transition, Territories].

Scope of application of LBPAM and TFSA exclusions

All open-ended funds managed by LBP AM and TFSA

Application of exclusions to 100% of open funds

Dedicated funds and institutional mandates

Application of all or part of the exclusion policy according to the investor’s choice

Decision-making and due diligence bodies

Sustainable Finance Committee

Approves the charting and updating of the exclusion policy and related thematic or sectoral policies of LBP AM and TFSA

GREaT Committee

Manages the transversal deployment of the engagement and exclusion policies by deciding on, as per the specific conditions set out in the different components of the exclusion policy:

- The adoption of recommendations for normative management actions (engagement, override), suspension, exclusion reinstatement
- Draft exclusion lists drawn up in a qualitative manner (biodiversity, deforestation, normative exclusion, specific exclusion)
- Exclusion lists drawn up in a strictly quantitative manner (regulatory exclusions, tobacco, gambling, thermal coal, oil and gas

Weekly ESG meeting

Prioritises and organises enhanced due diligence, based on watchlists on the investable universe drawn up for LBP AM and TFSA:

- Qualitative due diligence in order to assess the risk to the company's financial performance due to poor ESG practices (materiality watchlist) or the risk of non-compliance with the normative principles to which we adhere (normative watchlist)
- Formalisation of a recommendation or management action (engagement, override, suspension, exclusion, reintegration)

Implementation of exclusions

Management

- Dissemination of decisions to the Risk and Management teams for application

Control

- Implementation of **pre-trade and post-trade controls** by the Risk Department, for all exclusions and suspensions

Analysis

- One-off assessment of the impact of exclusions
- Assessment as to whether the exclusion policy should be updated

Impact on the investment decisions of LBP AM and TFSA

2 Focus

Regulatory exclusions

Controversial weapons

Context

- **The Oslo Convention (or *Convention on Cluster Munitions*)** prohibits the use, production, stockpiling and transfer of all cluster munitions defined as such. Signed on 3 December 2008 by 94 States including France, it now brings together 115 States.
- **The Ottawa treaty (*or Convention on the Prohibition of Anti-Personnel Mines)*:** prohibits the use, production, stockpiling and transfer of anti-personnel mines was signed on 3 and 4 December 1997 by 122 States including France, and now brings together 164 States.
- French law prohibits the support for the production of anti-personnel mines (APMs) and cluster munitions (CMs), including the financing of and/or investing in the companies involved.
- **These as well as other controversial weapons have disproportionate human consequences.** The effects on the populations and territories of certain weapons are extended into peacetime. Civilian populations make up the majority of the victims. Economic development is stunted in the affected areas.

LA BANQUE POSTALE ASSET MANAGEMENT

Implementation

Exclusion of issuers who do not comply with the law or international treaties ratified by France.

Cluster bombs

Anti-personnel mines

Exclusion of other categories of controversial weapons which are sometimes covered by other conventions

Chemical Weapons

Incendiary weapons

Depleted uranium weapons

Biological weapons

Nuclear weapons *

Blinding laser weapons

Terms of application:

- Scope: companies that produce, develop, use, store, market and distribute, such controversial weapons or essential and dedicated components thereof, irrespective of the share represented by said controversial weapons in their turnover.
- Source: ISS
- Quarterly update

Source : diplomatie.gouv and cluster convention and ihl-databases.icrc.org

	State of regulation	Description of the weapons
Biological weapons	The Biological Weapons Convention (BWC[1]) entered into force in 1975. It bans the development, production, storage and acquisition of biological agents and toxins for military purposes	Biological weapons are defined by the BWC as “microbial or other biological agents, or toxins (…) that have no justification for prophylactic, protective or other peaceful purposes.” Biological weapons consist also of “weapons, equipment or means of delivery designed to use such agents or toxins for hostile purposes or in armed conflict.”
Chemical weapons	The Chemical Weapons Convention (CWC[2]) entered into force in 1997. It bans the development, production, acquisition, stockpiling, retention and transfer of chemical weapons.	Chemical weapons comprise all toxic chemical agents when they are used for military purposes, as well as munitions and devices specifically designed to cause harm through the action of toxic products.
Nuclear Weapons	The Treaty on the Non-Proliferation of Nuclear Weapons, commonly known as the Non-Proliferation Treaty (NPT[3]) entered into force in 1970. It aims to prohibit the transfer of nuclear weapons and to provide a framework for components that can be used to develop nuclear weapons. Conversely, it encourages technological and scientific cooperation in the field of civil nuclear energy.	Nuclear weapons are based on the energy released by the fission of atomic nuclei (uranium, plutonium or hydrogen).
Depleted uranium weapons	There is no international treaty on these weapons to date. Conversely, there are national regulations such as the Depleted Uranium Munitions Act of July 2004 in Belgium.	Depleted uranium munitions use depleted uranium, a very dense material, generally for the purpose of perforating armour.
Blinding laser weapons	The Convention on Certain Conventional Weapons (CCW[4]) was signed in 1980 in Geneva. Its main aim is to prohibit or limit the use of certain conventional weapons that can cause excessive or useless harm to combatants, or which can strike civilian populations indiscriminately. The protocol IV pertains to blinding laser weapons.	According to the International Committee of the Red Cross, blinding laser weapons emit a beam that can case immediate and irreversible blindness at distances of up to several kilometres.
Incendiary weapons	The Convention on Certain Conventional Weapons (CCW[4]) was signed in 1980 in Geneva. Protocol III pertains to incendiary weapons.	An incendiary bomb is intended to cause a fire. This type of weapon is generally made on the basis of napalm, thermite, chlorine trifluoride or white phosphorus.

(1) The full text of the BWC is available here: http://www.icrc.org/OIH.nsf/FULL/450?0pen0ocument

(2) The Full text of the CWC is available here: http://www.opcw.org/index.php?e1D=dam_frontend_push&docID=63S6

(3) The full text of the TNP is available here: http://www.diplomatie.gouv.fr/fr/enjeux-internationaux/desarmement-maitrise-des-armements/colonne-droite-4884/textes-de-reference-4988/article/traite-sur-la-non-proliferation

(4) The full text on the CCW is available here: http://www.icrc.org/dih.nsf/FULL/5OO.

Restrictions on agricultural commodities

Commission Delegated Regulation (EU)
2017/591

- Agricultural commodities comprise: cereals, wheat, maize, rice or soya, timber, cotton and coffee.
- Objective: to crack down on speculation, price manipulated and attempts to market abuse; to improve market information and transparency
- On 1 July 2015: The AMF provided for "*the possibility of limiting positions in financial instruments whose underlying asset is an agricultural commodity, unless such positions are for hedging purposes.*"

- All instruments with an underlying agricultural commodity in physical delivery are prohibited.
- All instruments with an underlying agricultural commodity in cash delivery are allowed.

Implementation

LBP AM and TFSA

Do not deal in financial instruments whose underlying asset is an agricultural commodity in view of its programme of activities.

Fight against money laundering and the financing of terrorism

General Regulation 320-22

When implementing its investment policy for its own account or for the account of a third party, the portfolio management company endeavours to assess the risk of money laundering and the financing of terrorism and to define procedures for ascertaining the investment choices made by its agents.

Implementation

- Issuers whose registered office (or the registered office of one of its predecessors), or whose principal place of quotation is on the list of countries assessed as being at critical risk by LBP AM and TFSA.
- Securities held directly and the direct underlying assets of a derivative product such as an option on an issuer whose registered office is located in a prohibited country, a convertible bond on a share whose issuer has its registered office in a prohibited country are concerned, exclusive of securities held by external UCIs in which the management invests.
- LBP AM and TFSA have stepped up the monitoring of issuers whose registered office is on the list of countries assessed as being at major risk by LBP AM and TFSA.

EU: European Union. OFAC : Office of Foreign Assets Control (United States). FATF: Financial Action Task Force.

Normative exclusions

The core ethical standards of the LBP AM Group

Global Compact

- UN initiative launched in 2000 to encourage companies to align their operations and strategies on Ten Universal Principles in these four fields:

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT
HUMAN RIGHTS
1. Businesses should support and respect the protection of internationally proclaimed human rights;
2. Make sure that they are not complicit in human rights abuses.

INTERNATIONAL LABOUR STANDARDS
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour
6. The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT
7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility;
9. Encourage the development and diffusion of environmentally friendly technologies.

FIGHT AGAINST ANTI-CORRUPTION
10. Businesses should work against corruption in all its forms, including extortion and bribery.

To find out more: UN Global Compact

OECD Guidelines for Multinational Enterprises

- Recommendations on corporate responsibility addressed by governments to multinational enterprises operating in or from adhering countries.

To find out more: Guidelines for MNEs - Organisation forEconomic Co-operation and Development

UN Guiding Principles on Business and Human Rights

- These principles are the first global standard of conduct intended to prevent, address and remedy the risks of negative impact by the business activity of companies on human rights.
- To find out more: UN Guiding Principles on Business and Human Rights

Implementation

The LBP AM Group **may exclude companies for which there is an unacceptable risk that they cause or contribute to particularly serious violations of the fundamental ethical standards** of the LBP AM Group, for which exclusion is the most effective way to reduce the risk of continued violation.

Principles of the normative exclusion policy

- The LBP AM Group may decide to exclude companies for which there is an unacceptable risk that they cause or contribute to particularly serious violations of the fundamental ethical standards of the LBP AM Group.
- The Group's GREaT Committee bases its decisions on an assessment **of the severity and extent of the violations, the connection between the violation and the company, the remediation of the violation by the company, as well as the likelihood of future violations of the standards** by that company. The LBP AM Group also considers the governance of the company and the risk management therein to determine whether the company implements **due diligence**, in accordance with the fundamental ethical standards of the LBP AM Group so as to reduce effectively the risk of future violations of the standards.
- Pursuant to Principle 19 of the United Nations Guiding Principles on Human Rights (UNGP), before the GREaT Committee takes the decision to exclude a company, it must consider whether other measures, such as stakeholder engagement might be more appropriate to reduce the risk of continued violations of the standards.
- The final decision of the GREaT committee should, insofar as possible, aim to reduce and mitigate the risks of future violations of standards. The GREaT Committee may thus vote on:
    - **Engaging the issuer, bilaterally or collectively;**
    - **Downgrading the issuer's GREaT SRI ratings;**
    - **Putting the issuer on enhanced watch;**
    - **Freezing or suspension;**
    - **Exclusion.**

UNGP Principle 19

"Among the factors that will enter into the determination of the appropriate action in such situations are the enterprise's leverage over the entity concerned, how crucial the relationship is to the enterprise, the severity of the abuse and whether terminating the relationship with the entity itself would have adverse human rights consequences."

Implementation of the normative exclusion policy

Reporting	Enhanced due diligence	Deliberation by the GREaT Committee

Reporting

1 **Identification of a controversy or a risk with a severe impact on human rights, the environment or good governance.**

Quantitative analysis, *via specialised data providers (ISS, Moody's, MSCI…)* ***and qualitative analysis*** *by the experts of the Solutions ISR team, based on external data and information sources (Business &Human Rights Resource Centre, NGOs, universities, research centres, the press, etc.)*

2 **Presentation of the issuer, the controversy or the risk in the ESG Committee which prioritises and organises an in-depth due diligence.**

Enhanced due diligence

1 **Analysis by a multi-stakeholder trinity (*(Solutions ISR, Fundamental Research, Management)***

- ***The severity and extent of the violation*** *or salient risk, as well as the remediation undertaken by the company*
- ***The likelihood of future violations*** *of standards*
- ***The due diligence*** *carried out in the company*
- ***The leverage of the LBP AM Group*** *on the company*

2 **Drafting of a Recommendation for deliberation by the GREaT Committee.**

Deliberation by the GREaT Committee

The GREaT Committee relies on the results of the enhanced due diligence on the issuer and the recommendations of the analysis trinity to decide on the application of the following measures:

Placement on enhanced surveillance: *issuer placed on watch, without exclusion. Monitoring is carried out in the Committee.*

Downgrading of the issuer's SRI rating: *the downgrading makes it possible to take the results of the enhanced due diligence into account and to adapt the investment decisions accordingly.*

Bilateral or collective engagement with the issuer

Suspension: *the issuer is placed on watch, without exclusion. Monitoring carried out in the Committee.*

Exclusion: *ban on holding; securities to be disposed of within a month (three months under special dispensation)*

The GREaT Committee proceeds to review the normative exclusion list and may appoint a troika to review an excluded issuer.

Sectoral exclusions

Exclusion of thermal coal

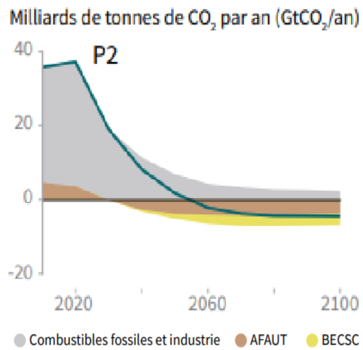
Principles

Context

IPCC scenario P2 (2018), the international reference scenario defined in the Special Report for achieving carbon neutrality by 2050, compatible with the Paris Agreement objective to **limit the rise in average temperature to 1.5°C by 2100 by limiting reliance on carbon capture and storage technologies.**

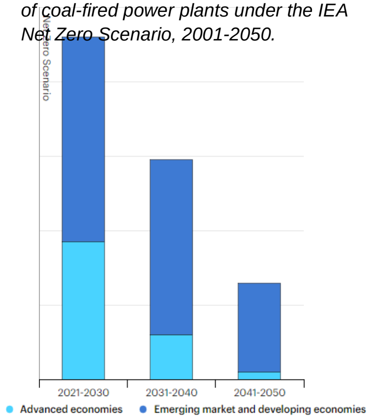
Billion tonnes of CO_2 per year ($GtCO_2$/year)

Fossil fuels and industry



According to the IEA, "**all IEA long-term scenarios that meet the international Climate targets include a rapid decline in coal-related emissions**. Without them, it will not be possible to avoid severe climate change impacts. Thus, the IEA's Net Zero by 2050 scenario foresees the complete **decarbonisation of power generation in advanced economies by 2035 and a global end to thermal coal without CCS by 2040.**

Average annual HVG decommissioning of coal-fired power plants under the IEA Net Zero Scenario, 2001-2050.



Implementation

Investments limited to issuers from the mining and power generation sectors that have announced a managed exit from coal by 2030 in the OECD and by 2040 throughout the world.

Investment limited to service providers up and down the value chain (infrastructure and facilities) generating less than 20% of the thermal coal-related turnover.

→ Full exit from coal in the open-ended funds of LBPAM and TFSA by 2030 in OECD countries and by 2040 throughout the world.

Sources : GIEC, IEA (2022), Coal in Net Zero Transitions, IEA, Paris https://www.iea.org/reports/coal-in-net-zero-transitions, License: CC BY 4.0, https://www.iea.org/data-and-statistics/charts/annual-average-coal-power-plant-retirements-in-the-announced-pledges-and-net-zero-scenarios-2001-2050, IEA. Licence: CC BY 4.0

Exclusion of thermal coal

Implementation criteria

- **Divest**
  - Mining company or power generator involved in the development of new projects (power plants/mines/services)
  - Service company generating at least 20% of the turnover
- **Maintain**
  - Issuer whose coal phase-out date is aligned with the Climate Analytics timeline: 2030 in OECD countries, 2040 in other countries
- **Commit**
  - Issuer that has announced an exit from coal but no clear timeline
  - Where applicable, commitment opened in Q1 of year N with the objective of deciding on maintaining or divesting the security by 31 December at the latest
  - LBPAM and TFSA in favour of communicating a detailed exit plan per unit based on closure and not asset disposal

Mining, power generating or service company that generates turnover from thermal coal

Source GCEL Trucost

Service company that generates >20% of the turnover from thermal coal

YES NO

Divest

Mining, power generating or service company involved in expansion plans relating to thermal coal

Source GCEL

YES NO

Divest

Service company that generates ≤ 20% of the turnover from thermal coal

Source GCEL

YES NO

Maintain

Mining or power generating company committed to eliminating thermal carbon in its operations

Source Public information

Yes NO

Alignment with the *Climate Analytics* timeline

Source public information

Divest

YES NO

Maintain

Commit

Encourage the company to align its timeline with the scientific data

YES NO

Maintain

Divest

Exclusions applied to the oil and gas sector

Context

- The carbon neutrality scenarios of the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) foresee significant emission reductions across the value chain of the oil and gas sector to limit the average temperature increase to 1.5°C by 2100.
- According to the IEA, to achieve carbon neutrality by 2050, the carbon intensity of primary energy must decrease by about 7.7% per year between 2020 and 2050 and global fossil fuel consumption must be reduced significantly between 2020 and 2050:
  - -60 to -75% for oil
  - -45 to -55% for gas

- These scenarios entail that there is no need to explore for new resources nor for new fields beyond those already approved for development in 2021

Implementation

Exclusion of non-conventional oil and gas

- Lines of business concerned: exploration, production, storage and distribution of unconventional oil and gas
- Type of resources: oil from tar sands and extra-heavy oil, shale oil and gas, oil and gas extracted in the Arctic region according to the *Arctic Monitoring and Assessment Programme*, oil and gas from drillings at a depth of more than 1000m
- Company exclusion criteria: cumulative turnover generated from conventional resources greater than 20%.

Project exclusion criteria: *greenfield* or *brownfield* project

Exclusion of issuers not committed to the energy transition

- Company exclusion criteria: failure to publish a complete carbon neutrality objective for scope 1 and 2 emissions or a GHG reduction objective for scope 3 emissions over a significant area of activity
- Project exclusion criteria: gas (fossil) and oil *greenfield* projects

Source : IEA, Oil supply in the net zero pathway, 2020-2050, IEA, Paris https://www.iea.org/data-and-statistics/charts/oil-supply-in-the-net-zero-pathway-2020-2050, IEA. Licence : CC BY 4.0

Exclusion of tobacco

Context

- **Harmful effects on health** and cost to the community (insurers and health systems).
  - According to the WHO: Tobacco use kills more than 7 million people each year. Of these, more than 6 million are current or former users, and about 890,000 are non-smokers involuntarily exposed to smoke. It costs individuals and governments more than US $1400 billion in health care costs and lost productivity*.
  - In 2004, the WHO established a framework convention that recognises **tobacco as an epidemic.**
- The **Tobacco-Free movement is gaining momentum.**
- Europe & the United States: tobacco consumption is in decline.
- Developing countries: tobacco consumption is becoming a major concern. Cigarette manufacturers are turning to Asia and Africa where regulations are now less strict.
- **Other controversies:** responsible marketing, child labour in tobacco farming, transparency of chemicals in cigarettes or deforestation.

Implementation

- LBP AM Group signed the Tobacco-Free Portfolios initiative in 2018

The exclusion pertains to the entire value chain:

Producers, distributors suppliers.

LBP AM and TFSA exclusions

- Systematic exclusion of companies belonging to the GICS/BICS "Tobacco" sectors and companies that generate more than 10% of their turnover from Tobacco (source: ISS-Oekom)

* Source WHO, May 2017

Exclusion of gambling

Context

- **Eight gambling families are identified:** draw games, scratch cards, horse betting, sports betting, poker, instant win games, casinos and table games.
- The industry represents a significant **social cost** in terms of gambling addiction, impoverishment and over-indebtedness of many players.
- The number of French people addicted to gambling is growing. One million of them gamble at a rate bordering on addiction, i.e. 400,000 more in only 5 years*.
- The most vulnerable households are the most affected. The *Observatoire des inégalités* [Observatory of Inequalities] notes that gamblers from the poorest households spend two and a half times more of their budget on gambling than other households. These gamblers have a greater risk of becoming addicted. Almost 60% of risk or pathological gamblers have a net monthly income of less than €1,100.
- The gambling sector is sensitive to **money laundering**, although it is difficult to put a figure on the phenomenon.

Implementation

- Systematic exclusion of companies belonging to the GICS/BICS "casinos & gaming" sectors and companies that generate more than 10% of their turnover from gambling (source ISS-Oekom)

* Enquête nationale de l'Observatoire des Jeux, 2015

Exclusions linked to deforestation

Context

- Carbon sinks: forests play an important role in capturing CO_2, which is essential for limiting climate change.
- Reasons for deforestation: animal husbandry, soya, logging, palm oil, industry (mines, dams, etc.).
- Particularly strong pressure exerted by the media following the fires in the summer of 2019 in Amazon region, but also in Asia and Africa.
- Risks of the situation deteriorating because of the policy of the Bolsonaro government. Example: Decision in February 2020 to authorise mining activities in territories reserve for Amerindians.
- Human rights risks: displacement of indigenous populations.

Implementation

- Identification of companies with a high deforestation impact and without corrective measures
- Sources : NGOs, CDP, MSCI...

	Proposal	Motivation
Farmers and traders	**Exclusion**, unless the group has implemented a deforestation prevention policy aligned with the Accountability Framework and supported by external certification (RSPO, RTRS, etc.)	• Direct responsibility for deforestation • Controversy risk
Industrialists / processors	**Commitment** to encourage the implementation of good practices (traceability of the supply chain, search for alternatives to reduce the impact on natural resources, etc.)	• Important image risk (B-to-C) • Important lever to change the practices of farmers and traders

Exclusion on biodiversity grounds

Context

- A growing deterioration of ecosystem services and natural capital stocks that ensure the survival of the human species and the sustainability of human activities.
- A strong link with climate change, amplified by the loss of natural carbon sinks; climate change itself exerts pressure on biodiversity.
- Urgent action is needed in high-impact sectors to reverse the loss of biodiversity by 2030 in order to achieve the targets set by the Kunming-Montreal Agreement: "Nature-Positive 2030".
- This subject is still little or poorly addressed by companies, with a local issue that is difficult to gauge through holistic KPIs and requires additional qualitative analysis to ensure the company's transition.

Implementation

On sectors with major impact implications (Energy; Agri-foodstuffs, Beverages and Tobacco; Materials; Transport; Public Services and Infrastructure).

1. **Quantitative treatment** to identify the actors with the most deleterious impact on biodiversity by peer group (industry and geographical area).
2. **Qualitative treatment**: exclusion of companies that cannot show that they have implemented means and resources to reduce this impact:
   - policy
   - mapping of risks, dependencies and impacts,
   - setting targets for the entire scope of activities,
   - action plan to attain those targets,
   - reporting on KPIs to demonstrate progress.

If the information is not available, a dialogue can be initiated with the company.

Legal provisions

This promotional document has been produced for information purposes only and does not constitute an offer or solicitation, nor a personalised recommendation within the meaning of Article D321-1 of the Monetary and Financial Code, nor a provision of research, within the meaning of Article 314-21 of the AMF General Regulation, nor a financial analysis, within the meaning of Article 3, 1°, 35) of EU Regulation No. 596/2014 of 16 April 2014 on market abuse (MAR), with a view to subscribing to LBP AM's mutual funds.

The information contained in this document is produced for information purposes only and has no pre-contractual or contractual value. It may be updated as and where necessary during the management of the UCI and in accordance with applicable regulations.

The investor's attention is drawn to the fact that the information concerning LBP AM's UCIs contained in this document is not a substitute for the exhaustive information contained in the legal documentation of the UCIs which has been given to you and/or is available upon request from LBP AM or on the website. Please note that past performance is not a guide to future performance and is not constant over time.

LBP AM would also like to inform the investor that it cannot be held liable for any investment decision, whether or not it is based solely on the information contained in this document. The investor's attention is drawn particularly to the fact that:

• all investments has disadvantages and advantages that should be assessed in accordance with the personalised and studied profile of each investor (desired return, risk that can be borne, etc.), and that,

• prior to any investment, and in order to avoid investing in a UCI that does not correspond to his or her profile, the investor must carefully read the legal documentation of the UCI provided and, should he or she should consider it necessary, contact his or her advisor to obtain further information on the planned investment in relation to his or her own investor profile.

This document is intended solely for the persons to whom it was originally addressed and may not be used for any purpose other than that for which it was designed. It may not be reproduced or transmitted, in whole or in part, without the prior written consent of LA BANQUE POSTALE ASSET MANAGEMENT, which may not be held liable for the use that may be made thereof by a third party.

It is expressly underscored that the instruments concerned by this document may be subject to marketing restrictions with regard to legal entities or individuals who, by reason of their nationality, residence, registered office/place of registration or for any other reason, are subject to a foreign jurisdiction which prohibits or limits the offer of certain products or services (in particular financial instruments).

Certain units/shares of the Fund may not have been registered with the SEC under the provisions of the US Securities Act of 1933 and are not available, directly or indirectly, in the United States (including its territories, counties and possessions) to US persons as defined in Regulation S. Consequently, the units/shares of the fund may not be sold, delivered or distributed, directly or indirectly, in or to the USA.

La Banque Postale Asset Management, SA [public limited company] with a capital of €5,924,098.60, registered in the Paris Trade and Companies Register under number 879 553 857 - 36 Quai Henri IV, 75004 Paris. Management company accredited by the AMF under number GP-20000031
www.labanquepostale-am.fr