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# Sienna IM

## Exclusions policy

**2024**  
September

Sienna Investment Managers ("Sienna"), as part of its ESG policy (the "ESG policy"), implements a policy of ESG exclusions (the "Exclusions policy").

Sienna acts in accordance with applicable national and international laws, prohibitions, treaties and embargoes in defining its investment universe. In addition to these legal requirements, Sienna also considers the following exclusionary criteria when evaluating potential investments. The exclusions policy describes the standards and sectors to which it applies.

The policy applies to all of the Sienna Group's activities with the exception of mandates and dedicated funds, for which we follow the recommendations of our clients. Nor does the policy apply to funds of funds investing in underlyings external to the group. We cannot ensure strict compliance with this policy for funds of funds. However, we undertake to use our best efforts.

Portfolio compliance with the exclusion policy is reviewed annually.

The exclusions policy establishes a common base and applies across the following legal entities:

- Sienna Investment Managers S.A.
- Sienna AM France (Private Debt Expertise France, trade name: Sienna Private Credit)
- Sienna Gestion (Listed Assets Expertise)
- Sienna Real Estate (Real Estate Expertise)
- Ver Capital (Private Debt Expertise Italy)

The exclusion policy is reviewed every three years. This version was approved by the Sienna IM Management Committee in September 2024.

## NORMATIVE EXCLUSIONS

### Controversial behaviour and legally binding exclusions

Respecting the provisions of the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, Sienna assesses the behaviour of organisations in accordance with these frameworks and excludes investments in organisations involved in serious breaches of these principles. Seriousness is assessed according to the nature of the impact under consideration and its magnitude.

Sienna also excludes investments in controversial jurisdictions (EU sanctions list).

## SECTORAL EXCLUSIONS

### Weapons:

#### Common framework:

Sienna excludes any issuer involved, from the first euro, in the development, production, trade<sup>1</sup> and stockpiling of weapons whose use is prohibited by France's and Italy's international commitments:

- Biological and toxin weapons as defined in *Article I of the 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (Biological Weapons Convention)*;
- Non-detectable fragment weapons as defined by *Protocol I of the Convention on Certain Conventional Weapons (CCW) (Geneva, 1980)*;
- Incendiary weapons as defined by *Protocol III of the CWC (Geneva, 1980)*.
- Chemical weapons as defined in Article II of the 1992 Convention on *the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (Chemical Weapons Convention)*;
- Blinding laser weapons as defined by *Protocol IV of the CWC (Vienna, 1995)*;
- Anti-personnel mines as defined in Article 2 of the 1997 Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (*Anti-Personnel Mine Ban Convention, Ottawa Treaty*);
- Cluster munitions as defined in Article 2 of the 2008 Convention on Cluster Munitions (*Convention on Cluster Munitions, Oslo Treaty*).

By issuer involved in the development, production, trade and stockpiling of weapons identified by the above conventions, Sienna includes all listed or unlisted companies developing, producing, stockpiling and trading in finished weapons and components whose characteristics make them essential and specifically dedicated to these weapons. Components whose original use is diverted are not included in this policy.

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<sup>1</sup> Including distribution

Specific features applicable to some expertise:

- Private Debt Expertise France excludes organisations directly involved in the development, production, trade, maintenance and stockpiling of depleted uranium weapons, from the first euro.

#### Pornography:

Common framework:

Sienna does not wish to be associated with any company where human rights are violated. Sienna excludes direct investments in organisations involved in the production of pornographic content, prostitution and the sex industry (application thresholds: revenues in excess of 5%) and its distribution (application thresholds: revenues in excess of 25 %).

#### Tobacco and vaping products:

Common framework:

Given the public health concerns associated with tobacco, but also the human rights abuses, the impact on poverty, the environmental consequences and the substantial economic cost associated with tobacco, Sienna excludes direct investment in the production of tobacco products (application thresholds: revenues in excess of 5%).

Sienna also excludes direct investments in the supply and distribution of tobacco products if they represent a significant contribution to the company's turnover (application thresholds: revenues in excess of 25%).

We consider tobacco products to be the following:

- Cigarettes
- Cigars
- Tobacco
- Electronic cigarettes
- Rolling paper
- Filters
- Snuff tobacco
- Etc.

Specific features applicable to some expertise:

- Private Debt France Expertise excludes any investment in an organisation involved in the production of tobacco products, from the very first euro.

Fossil fuels

Coal:

*Common framework:*

As coal is the main cause of climate change caused by human activity, Sienna excludes direct investments in:

- Companies developing and/or planning to develop new thermal coal capacity in extraction, production, utility or transport infrastructures;
- Companies generating more than 5% of their turnover from thermal coal mining, exploration and drilling, coal mining services, coal processing, coal trading, coal transport and logistics, coal equipment manufacturing, operation and maintenance (O&M) services, engineering, procurement and construction (EPC) services, coal-fired power transport and distribution, coal-to-liquids (Ctlg) and coal-to-gas (CtG).
- Companies generating revenue from the transport or production of thermal energy (application thresholds: revenue in excess of 5%) without a climate strategy in line with the Paris Agreement of the United Nations Framework Convention on Climate Change (climate strategy for phasing out coal by 2030 in EU and OECD countries and in all other countries by 2040; climate strategy in place by 2025).

In addition, Sienna is committed to progressively reducing its exposure to the entire value chain and ending all financial services and investments no later than 2030 for EU and OECD countries and in all other countries by 2040.

Specific features applicable to some expertise:

- Private Debt Expertise France excludes any organisation involved from the first euro in an activity linked to the exploration, production or exploitation of coal.

Unconventional oil and gas:

*Common framework:*

Given the environmental damage, social cost and carbon profile associated with the exploration and production of unconventional oil and gas, Sienna excludes investments in organisations that derive more than 20% of their production/revenue from the exploration, production, trading or transportation of unconventional oil and gas products.

We apply the following definition of unconventional oil and gas<sup>2</sup>:

- Ultra-deep oil and gas

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<sup>2</sup> We don't have the tools to treat methane hydrates properly, although they should also be on this list.

- Fossil oil and gas resources in the Arctic<sup>3</sup>
- Tight oil and gas
- Coal bed methane
- Tar sands
- Extra-heavy oil
- Shale oil and gas

The 20% threshold will be reviewed in the future, with the aim of reducing the eligibility threshold to 5% by 2030.

Specific features applicable to some expertise:

- Private Debt France Expertise undertakes to stop financing investments from the first euro:
  - Companies with projects to develop their fossil fuel deposits, such as gas or oil, whatever the type of oil or gas (conventional or non-conventional).
    - Please note: Private Debt Expertise France can, however, finance group subsidiaries with renewable energy or energy transition projects.
  - Companies with a direct or indirect operational activity (upstream and downstream: infrastructure, transport network, utilities, extraction, production) linked to unconventional oil and gas<sup>4</sup>.

## OTHER EXCLUSIONS

Other specific exclusion criteria may be applied at fund or mandate level, due to specific client requests, fund positioning and/or specific labelling requirements.

In addition, although industries with potential exclusions such as palm oil, gambling, GMOs or deforestation have not been included in the above list, they remain inherently exposed to significant sustainability risks that may limit investment. These potential investment opportunities will be assessed on a case-by-case basis by Sienna's ESG research professionals.

In addition, although the exclusion policy is intended to be applied without exception, certain situations must be anticipated. Proposed exceptions are systematically the subject of a detailed, documented justification and are validated first by the Managing Director of Expertise and then by Sienna's ESG Correspondents Committee. Exceptions are monitored on an ongoing basis and reassessed annually.

Finally, some of Sienna's appraisals apply additional sector exclusions, as detailed below.

Private Debt France Expertise: Private Debt France Expertise undertakes to assess on a case-by-case basis the potential exclusion of an investment in an organisation trading in cryptocurrencies or involved in land artificialisation.

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<sup>3</sup> As defined by AMAP (Arctic Monitoring & Assessment Programme)

<sup>4</sup> As defined above

APPENDICES

Summary table of exclusions for each expert opinion and for the group :

<u>Exclusions</u>	<u>Sienna Group</u>
<u>Standards</u>	Compliance with the UNGC and the EU sanctions list
<u>Weapons</u>	Total exclusion from a defined list of weapons
<u>Pornography</u>	$\geq 5\%$ production $\geq 25\%$ distribution
<u>Tobacco</u>	$\geq 5\%$ production $\geq 25\%$ distribution
<u>Coal</u>	Total exclusion (planning/development of new capacities (extraction, production, etc.)) $\geq 5\%$ of revenues (complete value chain) <sup>1</sup>
<u>Non-conventional oil and gas</u>	$\geq 20\%$ (exploration, production, trade, transport)
<u>GMOs</u>	To be assessed on a case-by-case basis
<u>Gambling</u>	To be assessed on a case-by-case basis
<u>Deforestation</u>	To be assessed on a case-by-case basis
<u>Palm oil</u>	To be assessed on a case-by-case basis

<b><u>Exclusions</u></b>	<b><u>Private Debt France Expertise</u></b>
<b><u>Standards</u></b>	Compliance with the UNGC and the EU sanctions list
<b><u>Weapons</u></b>	Total exclusion of a defined list of weapons (+ depleted uranium)
<b><u>Pornography</u></b>	≥5% production ≥25% distribution
<b><u>Tobacco</u></b>	Total exclusion of production ≥25% distribution
<b><u>Coal</u></b>	Total exclusion (planning/development of new capacities (extraction, production, etc.))
	Total exclusion (exploration, production or operation)
<b><u>Non-conventional oil and gas</u></b>	Total exclusion (complete value chain + new projects)
<b><u>Conventional oil and gas</u></b>	Total exclusion (new projects)
<b><u>GMOs</u></b>	To be assessed on a case-by-case basis
<b><u>Gambling</u></b>	To be assessed on a case-by-case basis
<b><u>Deforestation</u></b>	To be assessed on a case-by-case basis
<b><u>Land artificialisation</u></b>	To be assessed on a case-by-case basis
<b><u>Cryptocurrencies trading</u></b>	To be assessed on a case-by-case basis
<b><u>Palm oil</u></b>	To be assessed on a case-by-case basis



<u>Exclusions</u>	<u>Expertise Listed Assets</u>
<u>Standards</u>	UNGC compliance and EU sanctions list
<u>Weapons</u>	Total exclusion from a defined list of weapons
<u>Pornography</u>	≥5% production ≥25% distribution
<u>Tobacco</u>	≥5% production ≥25% distribution
<u>Coal</u>	Total exclusion (planning/development of new capacities (extraction, production, etc.))
	≥5% of revenues (complete value chain1)
<u>Non-conventional oil and gas</u>	≥20% (exploration, production, trade, transport)
<u>GMOs</u>	To be assessed on a case-by-case basis
<u>Gambling</u>	To be assessed on a case-by-case basis
<u>Deforestation</u>	To be assessed on a case-by-case basis
<u>Palm oil</u>	To be assessed on a case-by-case basis

<u>Exclusions</u>	<u>Sienna Real Estate</u>
<u>Standards</u>	UNGC compliance and EU sanctions list
<u>Weapons</u>	Total exclusion from a defined list of weapons
<u>Pornography</u>	≥5% production ≥25% distribution
<u>Tobacco</u>	≥5% production ≥25% distribution
<u>Coal</u>	Total exclusion (planning/development of new capacities (extraction, production, etc.))
	≥5% of revenues (complete value chain)
<u>Non-conventional oil and gas</u>	≥20% (exploration, production, trade, transport)
<u>GMOs</u>	To be assessed on a case-by-case basis
<u>Gambling</u>	To be assessed on a case-by-case basis
<u>Deforestation</u>	To be assessed on a case-by-case basis
<u>Palm oil</u>	To be assessed on a case-by-case basis

<b><u>Exclusions</u></b>	<b><u>Ver Capital</u></b>
<b><u>Standards</u></b>	UNGC compliance and EU sanctions list
<b><u>Pornography</u></b>	≥5% production ≥25% distribution
<b><u>Tobacco</u></b>	≥5% production ≥25% distribution
<b><u>Coal</u></b>	Total exclusion (planning/development of new capacities (extraction, production, etc.)) ≥5% of revenues (complete value chain)
<b><u>Non-conventional oil and gas</u></b>	≥20% (exploration, production, trade, transport)
<b><u>GMOs</u></b>	To be assessed on a case-by-case basis
<b><u>Gambling</u></b>	To be assessed on a case-by-case basis
<b><u>Human cloning</u></b>	To be assessed on a case-by-case basis
<b><u>Alcohol</u></b>	To be assessed on a case-by-case basis
<b><u>Deforestation</u></b>	To be assessed on a case-by-case basis
<b><u>Palm oil</u></b>	To be assessed on a case-by-case basis

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