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 Avenir (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:** ___% ☐ 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	☒ 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 ☒ with an environmental objective in economic activities that 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. The Mandate is mainly invested via UCITS mutual funds. It integrates "Environmental, Social and Governance" (**ESG**) criteria within its mutual fund selection and portfolio management investment decisions.

Through its integration of ESG criteria, the Mandate promotes environmental characteristics: development of sustainable impact revenues, engagement towards Paris agreement, targeted reduction of CO_2 emissions. The Mandate also promotes social characteristic: gender diversity. The Mandate is promoting the alignment with the 17 Sustainable Development goals through the 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 ESG score of the underlying assets is provided by the external ESG data provider MSCI. The portfolio coverage by ESG score is at minimum 70% (out of cash and/or cash equivalent).

- <u>Environmental</u>
  - *Percentage of the portfolio invested in sustainable impact revenues*: Revenue exposure to sustainable impact solutions reflects the extent to which company revenue is exposed to products and services that help solve the world's major social and environmental challenges. It is calculated as a weighted average, using portfolio weights and each issuer's percent of revenue generated from sustainable impact solutions. This information is obtained for each invested mutual funds and the final percentage of the sustainable impact revenues is calculated as the weighted average of sustainable impact revenues of each fund and its weight in the portfolio.
  - *Carbon footprint of the portfolio*: This indicator measures emissions in tons of CO_2 equivalent per million euros invested. This information is obtained for each invested mutual funds via the external data provider MSCI and the final carbon footprint is calculated as the weighted average of carbon footprint of each fund and its weight in the portfolio..

- <u>Social</u>
  - *Presence of women on the board of directors*: Rate of feminization of the boards of the issuers present in the portfolio. For companies with a two-tier board of directors, the calculation is based only on the members of the supervisory board. This information is obtained for each invested mutual funds via the external data provider MSCI and the final weight of women in the boards is calculated as the weighted average of women in boards for each fund 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. This indicator is monitored on a look-through basis for the mutual funds. 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?

The Mandate's objectives of the sustainable investments will be those of its underlying's investment vehicles.

1. For the underlying mutual funds managed by external asset managers, the selection process of the mutual funds includes the analysis of asset manager sustainable investment definition.
2. For the underlying mutual funds which are managed by Société Générale Investment Solutions (Europe) S.A. (**SG IS (EUROPE)** or the **Management Company**) in its capacity as investment manager, SG IS (EUROPE) implements the framework of the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 with a target date for delivery of 2030 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.

   In order that 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 SG IS (EUROPE)'s ESG policy. In addition, SG IS (EUROPE) takes into account the alignment of companies with 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?

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.

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.

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

Principal adverse impacts (**PAIs**) are taken into account based on the assessment of ESG characteristics of the mutual funds using data provided by external ESG providers, including MSCI, as well as proprietary ESG analysis.

Within its portfolio management, the investment manager considers how the underlying investments reduce the negative impacts via its investment strategies.

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 - Unconventional Oil & Gaz - Net Zero Asset Managers Signatory - Integration of PAIs into proprietary 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 - Biodiversity Pledge Signatory - Integration of PAIs into proprietary 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 - Integration of PAIs into proprietary 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 - Integration of PAIs into proprietary 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 - Integration of PAIs into proprietary 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 - Integration of PAIs into proprietary 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 fund's investment universe.

In addition, and in accordance with the Management Company'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, mainly 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 mutual funds or specific assets.

The consideration of ESG criteria in the selection of securities aims to assess the ability of companies to transform the challenges of sustainable development into vectors of performance.

The investment manager is assessing ESG characteristics of the mutual funds using data provided by external ESG providers, including MSCI, as well as proprietary ESG analysis. The proprietary ESG analysis includes, among other, analysis of the mutual funds underlying responsible policies, analysis of stewardship activities, 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 is assessing ESG characteristics of each mutual funds in the portfolio using data provided by external ESG 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.

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

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

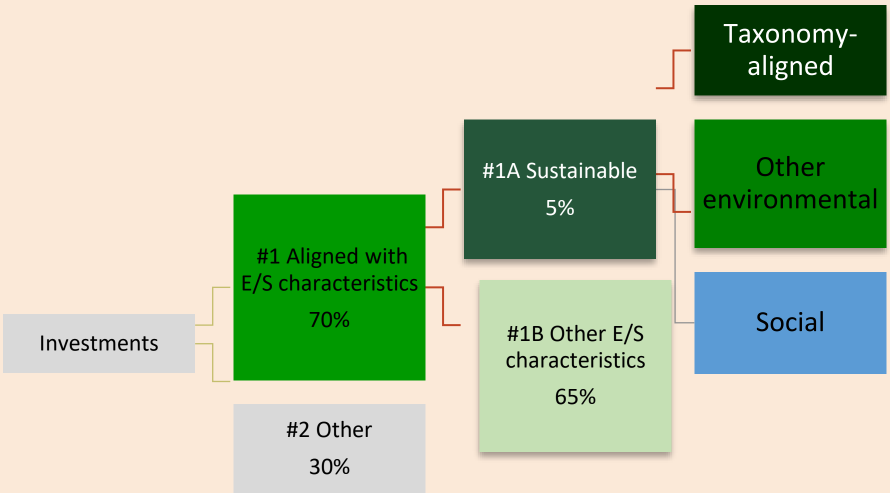
The good governance practices are assessed in the proprietary analysis of the underlying mutual funds investment universe. The minimum safeguards regarding governance are analyzed: whether the funds comply with United Nations Global Compact principle, what is the approach of the fund towards issuers with very severe level of controversies and how the underlying funds analyze the governance aspects. This good governance assessment should include the assessment of the investee company sound management, employee relations, pay practices, management structures and tax compliance.

The proprietary analysis of the underlying mutual funds includes the analysis of the stewardship policies of the funds' management companies and well as operational due diligence of the funds' management company.

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, i.e. 65%, 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 invest more than 0% of its assets in sustainable investments with an environmental objective aligned with the EU Taxonomy, however, these investments may form part of the portfolio.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission leels corresponding to the best performance.

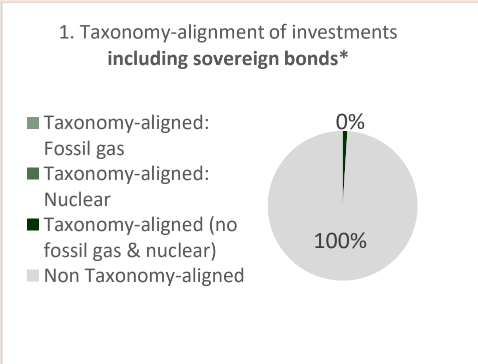
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

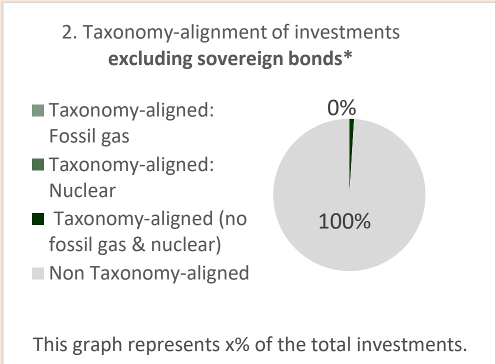
☐ Yes:

☐ 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.

[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

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?

The investments included under "#2 Other" are cash and cash equivalent securities, alternative asset class. The alternative asset class might include structured products, UCITS hedge funds or exchange traded notes on commodities such as gold or other metals.

The first objective of this asset class is the diversification within the asset allocation. In any case, all underlyings mutual funds or ETFs or ETNs asset managers are analyzed and due dilligenced for their investment and operational processes.

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.

- ***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?***

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

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: [Publication of sustainability information (societegenerale.lu)]