

Exclusions related to weaponry

Policy enactment 09/04/2020



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SWEN Capital Partners has decided to adopt a specific exclusions policy regarding its investments (primary, secondary or direct) concerning activities linked to the sector of weaponry.

This policy addresses the activities of the companies evaluated and not those of their clients, suppliers or other stakeholders. To remove the utmost ambiguity inherent in the adoption of such an exclusions policy, clarifications regarding definitions, scope of coverage and applicable thresholds are made below.

I. Weaponry-related activities - definitions

Companies and entities (hereinafter called "companies") engaged in the manufacture, trade or storage of **weapons** (including armoured vehicles, military vehicles, warships and warplanes) are considered to be linked to **ammunition** and **weapons systems**.

- All categories of **weapons** and **ammunition** are included in the scope provided that their primary purpose or their majority use **consists in neutralising, wounding or killing; their offensive use as defensive is not differentiating**.
- **Weapons systems** refer to all the devices (equipment, hardware, services, software, means of movement, etc.) required to use a weapon. Note that only direct investment operations (excluding investment in funds) integrate weapons systems into the exclusion scope. SWEN Capital Partners acknowledges that this demanding approach cannot be requested from the managers of the funds considered for investment.
- Electronic surveillance and cyber defense activities¹ are considered to be outside the scope of this policy, except for their application in weapon systems.

Also included in the scope are companies engaged in the manufacture, trade or storage of key components of weapons, ammunition and weapon systems;

OR

Components that meet one of the following two conditions are defined as key:

- Their sole purpose (specific design) is to be used in a weapon, ammunition or weapon system;

OR

- Their use conditions the lethality of the instrument used.

¹ "All activities carried out in order to intervene militarily or not in cyberspace to guarantee the effectiveness of the action of the armed forces, the accomplishment of the missions entrusted (...). Cyber defence should be distinguished from cybercrime, which corresponds to all traditional and new crimes and offenses committed, via digital networks". www.defense.gouv.fr, April 9th, 2020.

II. For direct investments (directly or via one or more Investment Holdings)

SWEN Capital Partners highlights its commitment to abide by the international conventions of Ottawa and Oslo relating to the prohibition of anti-personnel mines (APM) and cluster munitions (CM). This exclusion is also imposed on all French² asset management companies.

SWEN Capital Partners will not make any investment in a company involved in the manufacture, trade or storage of antipersonnel mines and / or cluster munitions or their key components for the assembly or operation of these weapons (APM and CM). Furthermore, SWEN Capital Partners commits to not make any investment in a company engaged in the manufacture, trade and storage of **weapons, ammunition and weapon systems** or their **key components**. This is regardless of the amount of turnover achieved in one of these activities.



² See AMF Doctrine relating to "Information to be provided by collective investment schemes incorporating non-financial approaches" March 11th, 2020, p.7

III. For Investments in Funds (primary and secondary operations)

For primary operations

SWEN Capital Partners underlines its commitment to respect the international conventions of Ottawa and Oslo relating to the prohibition of anti-personnel mines (APM) and cluster munitions (CM). SWEN Capital Partners will not make any investment in an Investment Fund which would invest in a company involved in the manufacture, trade or storage of anti-personnel mines and / or cluster bombs or their key components for assembly or the functioning of these weapons (APM and CM)

Furthermore, SWEN Capital Partners commits to ensure that the fund considered for investment will not invest and has not invested in a company which accounts **at least 5% of its turnover** (excluding APM and CM) in activities related to the **manufacture, trade and storage of weapons, ammunition or their key components**.

These investment criteria specific to SWEN Capital Partners are communicated to the managers of the fund considered for investment and must be subject to contractual negotiations in order to be included in the side letters.

For secondary operations

For secondary operations of constituted portfolios (funds and funds of funds), SWEN surveilles at least the 10 companies having the most significant weight of the portfolio at the date of the analysis (by performing a transparency analysis and based on the last known valuation of the assets making up the portfolio). To be eligible for investment, each underlying asset thus determined must simultaneously satisfy the following conditions:

- Not be involved in the manufacture, trade or stockpiling of antipersonnel mines and / or cluster bombs or their key components for the assembly or operation of these weapons (APM and CM);
- **AND** not achieve at least **5% of its turnover** (excluding APM and CM) in activities related to the **manufacture, trade and storage of weapons, ammunition or their key components**.

A reasonable effort must also be made to ensure compliance with the criteria previously established beyond the 10 main weightings of the portfolio studied.

SWEN Capital Partners undertakes to initiate a dialogue about its sectoral exclusions approach with the management company or companies of funds subscribed following the operation.

IV. Additional informations



All the conditions for establishing the compliance of an investment with the exclusions policy only apply on the date of analysis. The compliance analysis considers the past and current activities of the companies studied and also relates, if possible, to its directions and expected future developments.



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Management company approved by the French financial markets authority,
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