

Tobacco sector exclusion policy

Policy enactment 09/07/2025



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I. Foreword

Tobacco is one of the biggest global public health threats. It is responsible for more than 7 million deaths every year, including more than 1 million from second-hand smoke. Tobacco kills up to half of users. Its harmful consequences also affect non-smokers, children, pregnant women and vulnerable groups.

As well as causing ill health, the tobacco industry generates huge social and economic costs. Smoking makes the poor poorer, diverting limited family resources to spending on addictive products, and sometimes relies on child labour, exposing children to serious health risks, including “green tobacco sickness”. The cost to the environment is also considerable: tobacco cultivation causes deforestation, depletion of water resources, pollution and greenhouse gas emissions.

In view of these harms and in line with our commitment to **invest for nature’s benefit**, SWEN Capital Partners has adopted a strict tobacco sector exclusion policy. This approach underscores our resolve to promote healthier communities and protect the natural environment.

II. Definition of tobacco-related activities

- Companies and entities (hereinafter “companies”) engaged in the activities below are **considered** as tobacco-related activities:²
 - Tobacco **cultivation** and **production**;³
 - **Manufacture** of “tobacco products”;⁴
 - **Distribution** (wholesale, wholesale intermediaries and retail⁵); **and**,
 - Tobacco-related **logistics** (transport and storage).

The scope of this policy also extends to companies involved in the production, manufacture, dedicated logistics and distribution of **tobacco-related products**.⁶

- **Exclusions from the scope of this policy**

This policy does not apply to plant-based or other smoking products, including tobacco and cannabis, **when used strictly for therapeutic purposes under professional medical supervision**, or when intended exclusively for medical research.

¹ Tobacco, World Health Organization (WHO), 25th of June 2025

² In this policy, “tobacco” includes not only traditional tobacco-based products, but also plants and plant-based smoking products, including but not limited to, cannabis.

³ This could concern companies classified as NACE A0115.

⁴ Refers to products fully or partially composed of tobacco. These include roll-your-own tobacco, pipe tobacco, waterpipe tobacco, cigars, cigarillos, chewing tobacco, snuff (nasal tobacco), and new heated tobacco products (ANSES). This could concern companies classified as NACE C1200.

⁵ As defined in France by national statistics institute INSEE. This could concern companies classified as NACE G4635 and G4726.

⁶ Including electronic «vaping» devices (to consume vapour containing nicotine) and vape refills (ANSES), as well as products intended for tobacco consumption, such as filters, products intended for the consumption of tobacco and other smoking products such as filters, rolling paper and more.

III. For direct investments

Tobacco cultivation and production⁷

3.A. SWEN Capital Partners undertakes not to invest in a company that derives revenue from the cultivation and production of tobacco (**zero revenue threshold**).

Manufacture and transformation of tobacco

3.B. SWEN Capital Partners undertakes not to invest in a company that derives revenue from the manufacture or transformation of tobacco (**zero revenue threshold**).

Distribution of tobacco

3.C. SWEN Capital Partners undertakes not to invest in a company that directly derives **more than 5%** of its revenue from the distribution of tobacco and tobacco products.

Tobacco logistics

3.D. SWEN Capital Partners undertakes not to invest in a company that directly derives **more than 5% of its revenue** from the use of transport or storage assets dedicated exclusively to tobacco and tobacco products.

Tobacco-related products

3.E. SWEN Capital Partners undertakes not to invest in a company that directly derives **more than 5% of its revenue** from the production, manufacture, dedicated logistics and distribution of tobacco-related products.



⁷ Exclusion included in the PAB and CTB (see Commission Delegated Regulation (EU) 2020/1818 on the minimum standards for the EU Climate Transition Benchmark (CTB) and the EU Paris-aligned Benchmark (PAB))

IV. For investments in funds (primary and secondary transactions)

In primary transactions, SWEN Capital Partners' specific investment criteria are clearly communicated to the managers of target funds and are part of the contractual negotiations for inclusion in side letters.

Tobacco cultivation and production

4.A. SWEN Capital Partners ensures that target funds will not invest and have not invested in a company that derives revenue from the cultivation and production of tobacco (zero revenue threshold).

Manufacture and transformation of tobacco

4.B. SWEN Capital Partners ensures that target funds will not invest and have not invested in a company that derives revenue from the manufacture and transformation of tobacco (**zero revenue threshold**).

Distribution of tobacco

4.C. SWEN Capital Partners ensures that target funds will not invest and have not invested in a company that derives **more than 15% of its revenue** from the distribution of tobacco and tobacco products.

Tobacco logistics

4.D. SWEN Capital Partners ensures that target funds will not invest and have not invested in a company that derives **more than 15%** of its revenue from the use of transport or storage assets dedicated exclusively to tobacco and tobacco products.

V. Specific waiver rules

We nonetheless reserve the right to waive rules **3.C, 3.D, 3E, 4.C** and **4.D** if the company or fund considered for investment commits to meeting the thresholds specified for each of these rules or to supporting its investments in their efforts to meet these thresholds. However, the target fund's commitment must include a binding, verifiable and time-bound programme to reduce the total share of non-compliant activities.

VI. Tobacco exposure exit pathway

We are divesting from companies in the tobacco sector (and from funds invested in tobacco sector companies) that are not aligned with the criteria in points 3 and 4 above with a target date of 2030. As of 1 January 2030, all portfolio investments will meet these criteria. The waiver rule in point 5 will remain applicable after that deadline to support the transition of activities in compliance with the applicable thresholds.

Specific case of investments that no longer meet the policy criteria

If SWEN Capital Partners determines that a company, invested in after the effective date of this policy – either directly or through fund units – no longer meets the above criteria, we will:

- begin dialogue and engagement with the parties concerned, working with the Sustainable Finance and Investment teams;
- form a divestment committee to decide and, if necessary, optimise the divestment conditions, if the dialogue and engagement process fails to bring the company into alignment with the criteria of this sector policy.

Additional clarification

The conditions for establishing an investment's compliance with the sector policy apply only as of the assessment date. The compliance assessment considers the company's past and current activities and should, if possible, also cover its expected future direction and developments.





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