

# Controversial Weapons Policy



iM Global Partner Asset Management S.A.

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# 1. General Features

## 1.1. Introduction

The production and use of certain weapons have been deemed unacceptable under international conventions and even illegal within certain jurisdictions because they may cause severe harm to civilians during and after the conflicts and generate significant long-term health and safety effects on the civilian population. These controversial weapons regulated by international conventions are anti-personnel landmines, cluster munitions, chemical, biological and nuclear weapons (collectively referred to as “Controversial Weapons”).

International treaties regulate Controversial Weapons, those including arms for which the production or proliferation (cluster munitions, anti-personnel mines, nuclear weapons, biological and chemical weapons, blinding laser weapons, incendiary weapons, and undetectable fragments weapons). This broad definition also covers weapons not yet listed by international treaties but subject to stakeholder campaigns and discussions in international institutions regarding possible future regulation (depleted uranium weapons and white phosphorus weapons).

iM Global Partner Asset Management (hereafter the “ManCo”), acting as the Management Company of iMGP implements a policy of exclusion of investments in companies actively engaged in producing the following types of Controversial Weapons:

- cluster munitions,
- biological and chemical weapons,
- anti-personnel mines.

The Risk Management of the ManCo is responsible for the production of the regular list built based on the spirit and limitation brought by the following international conventions on cluster munitions and applicable laws:

- Ottawa Convention on Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction;
- Oslo Convention on cluster munitions 2008;
- Law of 4<sup>th</sup> June 2009 approving the Oslo Convention on cluster munitions (ref A-147/2009).
- SFDR Regulation (Principal Adverse Impact - controversial weapons)

Among others, the objectives of a restriction list are:

- To ensure the funds managed by iMGP AM do not participate in the financing of controversial companies;
- To maintain the funds managed by iMGP AM investable companies that pursue the same objective of not investing in controversial companies.

The policy also applies to the fund managed by iM Global Partner SAS.

## 1.2. Source of information

The ManCo creates the exclusion list based on the information available from Sustainalytics, a provider specialized in that data type. Additionally, the exclusion list targets countries defined by the Executive Committee of iMGP AM.

## 1.3. Review frequency

The exclusion list is updated at least twice a year based on the availability of updates to the data sources.

## 1.4. Application

Every sub-fund managed by iM Global Partner Asset Management must implement the exclusion list, except those listed in section 1.5.

The ManCo shares the exclusion list with its delegated sub-managers for implementation in their pre-trade control system.

## 1.5. Exclusion of application

The following exceptions apply to this policy:

- Securities that are part of an eligible index when a sub-fund invests in the concerned index through derivatives instruments or eligible securities;
- Securities that are part of a target fund's portfolio held in a portfolio managed by iMGP AM (no look-through), and;
- Sub-funds managed by iMGP AM qualify as index-tracking funds.

## 2. Definition and control

The exclusion list is a concatenation of two approaches.

### 2.1. Sustainalytics

#### 2.1.1. Framework

The ManCo has appointed Sustainalytics as the primary source of controversial weapons companies' research. The ManCo Subscribed to the "Controversial Weapons Radar" service.

Sustainalytics updates the list monthly, based on the entire scope of companies covered by the Sustainalytics researches services.

A systematic approach is implemented to filter the companies concerned by the policy.

#### 2.1.2. Definition of the list - Procedure

Filter on the companies included in the scope defined above using the following parameters

- Column D "Country": Remove the following countries who have ratified the OSLO convention: Canada, Austria, Belgium, France, Netherland, Italy, Germany, Spain, Portugal
- Filter Column AB "Controversial Weapons-Evidence of Activity" = Yes

Then include all the names that have at least one of the following criteria in the column AC "Controversial Weapons-Type of Weapon Id":

- CM: Cluster Weapons
- AP: Anti-Personnel Mines
- BC: Biological and Chemical Weapons

### 2.2. List of excluded countries

ManCo forbids the sub-managers to invest in the countries the executive committee believes there are severe human rights violations occur, based on the press or as part of an international sanction list.

The interdiction applies to securities listed in the countries and debt (corporate and non-corporate) from issuers domiciled in the countries.

### 2.3. Assessment and validation

#### 2.3.1. Validation

The Risk Management team prepares the list and submits it for validation during an Executive Committee.

iMGP AM Risk Management will:

- review the list produced based on the sources listed in Section 2
- submit the list, including the evidence of the proposed amendment during the Risk Committee

The Risk Committee validates the list.

When the list is validated, iMGP AM Risk Management shares it with relevant parties.

### 2.3.2. Exception

A sub-manager may require an exception to invest in a security or country from the list.

The Risk Management will submit the exceptions to the ManCo Executive Committee for assessment and approval.

## 2.4. Implementation

The implementation is based on the following principle and takes place at

- Central administration: Investment guideline: Ex-post control
- Sub-Managers: Pre-trade and ex-post controls

The risk team will review any breach for confirmation.

### 2.4.1. Public companies

The control targets the Bloomberg issuer code of the securities and underlying of derivatives instruments.

### 2.4.2. Private companies

The control targets the issuer names that have similarities with the issuer name defined in the list.

Risk Management investigates potential breaches at first appearance to confirm the issuer's name.

## 2.5. Reporting and escalation

The risk team will review the reported breaches for confirmation.

The Risk Management will request the sub-manager to correct a confirmed breach immediately and follow up.

The Risk Management reports the confirmed breaches during the ManCo Executive Committee and to the Boards of Directors.

## 2.6. Distribution

Risk Management shall release the updated list to the following recipients:

- iMGP AM Conducting Officers
- iMGP Compliance and Risk Committee
- Investment Managers
- Central Administration