Group Exclusion policy

September 2024

This policy is applied by Tikehau Capital and its subsidiaries. The terms “Tikehau Capital” and the “Group” in this document refer to all these companies. For newly integrated subsidiaries, the Group allows up to 18 months to ensure the seamless integration with its ESG exclusion policy.

The purpose of this document is to present the ESG exclusions of the Group.

Tikehau Capital’s Sustainability Strategy Orientation Committee granted approval of this last version of Tikehau Capital Exclusion policy in September 2024.

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1. Summary of Tikehau Capital's Exclusion Policy

Tikehau Capital's Exclusion Policy covers sectors for which negative impacts on the environment or society have been demonstrated. The Group's Exclusion Policy has been developed on the basis of the most objective criteria possible. In addition to existing regulatory and international frameworks *e.g.,* national laws and regulations, the International Bill of Human Rights, or recommendations from international agencies, the Group consults its network of experts wherever relevant.

In addition, Tikehau Capital has defined sensitive activities[1] that seeks to identify the industries, geographical areas (*e.g.,* non-cooperative or sanctioned countries) and behaviours (*e.g.,* allegations of corruption, tax evasion or money-laundering and other allegations of breaches of the United Nations Global Compact, etc.) that may have negative external impacts on the environment or society. The Group refers notably to:

- Activities and geographies flagged by national financial intelligence units as exposed to corruption, money laundering and terrorism financing and requiring a compliance approval for closed funds. For additional details, please refer to Tikehau Capital AML policy available internally.
- Activities listed as potential exclusions in the European ESG Template (EET) by FinDatEx (Financial Data Exchange Templates) and the ESG Integrated Disclosure Project (ESG IDP) by ACC/LSTA/PRI.

Upon performing an ESG and compliance assessment, investment team members must consult the Exclusion list, sensitive activities flagged by the Group and the list of high-risk geographies. Where mitigants for risky activities and geographies are not deemed satisfactory, investment team members must consult a working group made of representatives of Tikehau Capital's Compliance, Risk and ESG teams ("**the Compliance-Risk-ESG working group**") **for a recommendation.** Such group can advise (i) not to invest or divest in the best interest of shareholders, (ii) to monitor the case with a deadline for review, or (iii) to engage with the investee company to discuss. If engagement is unsuccessful, divestment will be triggered in the best interest of investors[2].

Controversies are treated on a case-by-case basis. Where an escalation is needed, **Tikehau Capital Impact Committee** (made of senior members in the organization) is in charge of making a recommendation on a joint view from the underlying teams involved and further steps required. The Compliance-Risk-ESG working group has a specific mailbox ensuring separate archiving of the cases.

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[1] The list of activities is presented in the Group Sustainability Risk Monitoring Policy available internally
[2] Where possible: within 12 months for Capital Markets Strategies and by triggering relevant clauses for private assets transactions.
[3] Companies may be subject to engagement before exclusion. Where companies have severe breaches of the fundamental principles and guidelines, investment teams must consult the Compliance-Risk-ESG working group and determine whether mitigation measures are in place. The Compliance-Risk-ESG working group may request that investment teams engage with the issuer. If engagement is unsuccessful, divestment is triggered in the best interest of investors (where possible: within 12 months for Capital Markets Strategies and by triggering relevant clauses for private assets transactions).
[4] Please see Section 3.2 for details
[5] Tenant involvement in tobacco as well as recreational marijuana
[6] Please see Section 5 for details

2. Norm-based exclusions

2.1. Sanctioned and high-risk countries

As a principle, Tikehau Capital will not invest in companies and assets that come from, are based or have operations in countries that are under sanctions from recognized international organizations and governments (specifically, the United Nations, Europe, the United Kingdom, and the United States). Nevertheless, international sanctions regimes being complex, a case-by-case analysis must be performed before vetoing an investment opportunity which may be linked to a sanctioned country or jurisdiction.

The Compliance team of Tikehau Capital assesses underlying country risk of opportunities according to the Group Anti-Money Laundering (AML) Policy and its Country Risk Mapping, that takes into account, among other elements, the following lists: FATF black list, FATF grey list, EU list of non-cooperative countries, EU list of high risk countries, French Treasury list, UK HM Treasury and Office of Financial Sanctions Implementation, and US Office of Foreign Asset Control.

The Compliance team will recommend not to invest in companies which fail the compliance case-by-case analysis regarding AML / Combating the Financing of Terrorism (CFT) / sanctions.

2.2. Fundamental Principles

Tikehau Capital is guided by international treaties to assess the behaviour of companies and aims to act notably in accordance with:

- the International Bill of Human Rights,
- the UN Global Compact (UNGC), and
- the Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

Where companies have breaches of these fundamental principles and guidelines, investment teams must consult the Compliance-Risk-ESG working group, which is responsible for assessing whether adequate mitigation measures are already in place. Please see Appendix 2 for examples of situations that may be considered as serious breaches. This list is not exhaustive and other types of serious breaches may occur.

2.3. Controversial weapons

Tikehau Capital has a zero-tolerance standard for companies and tenants of real estate assets involved in cluster munitions, landmines, chemical and biological weapons.

Exclusion is applied to manufacturers and distributors which do not comply with the following treaties or legal bans on controversial weapons:

- The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines,
- The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions,
- The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons,
- Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons,
- Council Regulation (EU) 2018/1542 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons.

3. Environmental exclusions

3.1. Destruction of critical habitat

Tikehau Capital recognises that certain sites contain globally or nationally important biodiversity, including: Natura 2000 network of protected areas, Unesco World Heritage sites and Key Biodiversity Areas (‘KBAs’), as well as other protected areas according to national laws and international standards (e.g. Ramsar convention). At the Date of this Exclusion Policy, the Group is seeking to develop specific policies both for corporate and real estate assets.

3.2. Fossil fuels

Tikehau Capital excludes direct investments in **dedicated fossil fuel projects**, related infrastructure and buildings globally, as defined by the criteria displayed in Table 1. In addition, Tikehau Capital excludes investments in **companies** that have a material exposure to fossil fuels as defined by the thresholds defined below in Table 2.

Table 1 Criteria for fossil fuel exclusion policy at project level

	Thermal coal	Oil and gas
Infrastructure, building and project-level restrictions	Tikehau Capital excludes direct investments in dedicated thermal coal projects (mines and unabated[7] coal-fired power plants), as well as dedicated coal infrastructure including ports, roads and railways. Investments in real estate assets involved in the extraction, storage, transport of thermal coal or energy production from thermal coal are excluded.	Tikehau Capital excludes direct investments in upstream and midstream oil and gas projects. Exclusions also apply to refineries and oil-fired power plants. Investments in dedicated oil and gas infrastructure are also excluded, including liquefied natural gas (LNG) terminals, ports and railways. Investments in gas-fired power plants are restricted to projects that implement a low-carbon transition plan.[8] Investments in real estate assets involved in the extraction, storage, transport or manufacture of oil and gas are excluded. In addition, investments in gas stations are excluded, under the following conditions: • Direct holdings of independent gas stations shall be exited by 2030. • If there is a change of use planned at the moment of investment, then investment is allowed (2 years maximum to change asset). If the gas station is part of a larger real asset, such as a supermarket or a shopping center, the investment remains allowed.

Table 2 Criteria for fossil fuel exclusion policy at company level

	Thermal coal	Oil and gas
Company-level restrictions	Tikehau Capital excludes investments in companies that breach one or more of the following conditions: • Companies planning new or expanding existing thermal coal mining, coal-fired power generation capacity[9] and coal-related infrastructure ("Expansion Criteria"). • Companies with consolidated annual revenues from thermal coal accounting for at least 10% of total revenue, or utilities with at least 10% of power generation from coal-fired power plants ("Relative Criteria"). • Companies mining at least 10 million metric tonnes per year of thermal coal or with installed coal-fired power plant capacity of at least 5 GW ("Absolute Criteria").	Tikehau Capital excludes investments in companies that breach one or more of the following conditions: - Companies planning new or expanding existing upstream[10] or midstream[11] oil and gas capacity ("Expansion Criteria"). This applies to both conventional and unconventional oil and gas production. - Companies with annual unconventional oil and gas production of at least 2 million barrels of oil equivalent (mmboe) from one of the six unconventional categories[12] ("Absolute Criteria"). - Companies with total hydrocarbon production[13] of at least 20 mmboe per year ("Absolute Criteria"). - Companies developing at least 100 MW of new gas-fired power capacity ("Expansion Criteria").

These criteria will be updated on a periodic basis, in line with the latest science, developments in energy and climate policy, stakeholder interests and data availability.

[7] Unabated fossil fuel power plants are plants that are not equipped with carbon capture, utilisation and/or storage (CCUS) technologies. Investments in CCUS-equipped fossil fuel power plants or companies with such plants would be subject to due diligence. The plant would need to demonstrate lifecycle greenhouse gas emissions of electricity generation (including fuel-related emissions, e.g. fugitive methane) of less than 100gCO_2e/kWh over at least one year of commercial operation at full capacity.
[8] For example, a plan to integrate CCUS or compatibility with low-carbon fuels such as hydrogen.
[9] For power generation, the company is excluded if develops new coal-fired power capacity of at least 100 MW, in line with the threshold applied by our data source, the Global Coal Exit List.
[10] For upstream capacity expansion, the company is excluded if it has at least 20 mmboe of resources under development, and/or if it spends at least USD 10 million p.a. on exploration activities based on a three-year average (i.e. 2021-2023). These thresholds are based on the thresholds applied by our data source, the Global Oil & Gas Exit List.
[11] For midstream capacity expansion, the company is excluded if it has at least 100km of pipelines under development or if it has LNG terminals under development with a capacity of at least 1 million tonnes per annum (1 Mtpa). These thresholds are based on the thresholds applied by our data source, the Global Oil & Gas Exit List.
[12] The threshold applies to oil and gas production from one of the six unconventional categories as defined by our data source, the Global Oil & Gas Exit List: fracking, tar sands (also known as oil sands), coalbed methane (also known as coal seam gas), extra heavy oil, ultra deep water, arctic drilling using the Arctic Monitoring & Assessment Programme's (AMAP) definition of the Arctic region.
[13] Total hydrocarbon production includes oil, natural gas, condensate and natural gas liquids.

Furthermore, portfolio companies will be subject to engagement if they have been identified to have activities in thermal coal mining and coal-fired power generation, but without a coal phase out plan aligned with limiting global warming to 1.5°C. This includes portfolio companies that do not breach the thresholds for exclusion.

At Tikehau IM level, further exclusions apply. By 2030, the asset management company will divest from and cease investments in electric utilities and mining companies with known thermal coal activities in OECD countries. By 2040, this policy will also be applicable to activities in non OECD countries.

Exemptions to these restrictions may be permitted if certain criteria are met, as defined in Section 8. For example, instruments issued by excluded companies that finance activities that are EU Taxonomy-aligned (e.g., a green bond where 100% of the proceeds are used to finance EU Taxonomy-aligned activities) are not in the scope of the exclusion policy.

3.3. Palm oil

Palm oil is mainly produced in Malaysia and Indonesia. The production of palm oil has adverse impacts linked to multiple issues including:

- Environmental: deforestation and associated impacts on biodiversity loss and climate change
- Social: impacts on local communities, breaches of indigenous land rights, workers rights abuses

Tikehau Capital excludes investments in companies meeting the following three criteria:

- The company is involved in one or more of the following activities: oil palm plantation, refining palm oil, processing palm oil or trading of palm oil; and
- The company derives more than 5% of its revenues from the above activities; and
- Less than 50% of their palm oil production/sourcing not Roundtable on Sustainable Palm Oil (RSPO) certified.

4. Social exclusions

4.1. Prostitution and pornography

Companies and tenants of real estate assets involved in producing and retailing adult entertainment (sexually explicit material and entertainment) are exposed to human trafficking and other social risks. As a result, Tikehau Capital excludes such investments, and real estate tenants involved in these activities are excluded.

- Tikehau Capital excludes companies that generate more than 5% revenues from the production (*e.g.*, online, TV), distribution (*e.g.*, pay-per-view adult channels) or retailing of adult entertainment products and services.
- Tikehau Capital excludes tenants which main activity is the production, distribution or retailing of adult entertainment products and services. Exemptions to these restrictions may be permitted at portfolio acquisition, if the tenant involved in adult entertainment represents less than 10% of rents or surfaces. After investment, leases of these tenants mainly involved in adult entertainment shall not be renewed.

Tikehau Capital excludes tenants which are involved in prostitution.

4.2. Tobacco

According to the WHO, all forms of tobacco use are harmful, and there is no safe level of exposure to tobacco.

- Tikehau Capital excludes companies with more than 30% of revenue involved in the production of tobacco. Companies that generate 30% or more of their revenues from the distribution, retailing, license or supply of key tobacco products and services are also excluded. Finally, exclusion is applied to suppliers that generate 30% or more of their revenues from the production of tobacco related products and/or services (e.g. packaging).
- Tikehau Capital excludes tenants whose main activity is the production of tobacco. Tenants involved in the distribution of tobacco remain allowed as well as corporate services of tobacco companies. Exemptions to these restrictions may be permitted at portfolio acquisition, if the tenant involved in tobacco represents less than 10% of rents or surfaces. After investment, leases of these tenants mainly involved in production of tobacco shall not be renewed. Tikehau Capital also excludes tenants whose main activity is the production and distribution of recreational marijuana. Where such activity is legal, hemp and CBD remain allowed. Exemptions to these restrictions may be permitted at portfolio acquisition, if the tenant involved in recreational marijuana represents less than 10% of rents or surfaces. After investment, leases of these tenants mainly involved in recreational marijuana shall not be renewed.

5. Exclusions driven by ESG labels

Certain funds may be subject to exclusions driven by external organizations or labels e.g. Greenfin, LuxFLAG, Towards Sustainability. Please see Appendix 3 for further details.

6. Governance

The Compliance team updates the AML Country Risk list on a periodic basis.

The Sustainability Strategy Orientation Committee (SSOC) of Tikehau Capital is responsible for the definition of the Exclusion policy. The Group Exclusion policy and list of sensitive activities are reviewed and updated periodically by the SSOC to refine its positions, anticipate unhedged non-financial risks and as new situations arise.

The Compliance-Risk-ESG working group oversees jointly the Exclusion policy implementation. If questions arise, this group is in charge of making a joint recommendation which is documented in the Compliance-Risk-ESG-cases mailbox. If escalation is needed, Tikehau Capital's Impact Committee (made of senior members within the organization) is in charge of making a recommendation for additional steps required. The Impact Committee can recommend: (i) to consider the exclusion of companies that are not presently listed on external exclusion lists (refer to Appendix 1 for the external sources utilized as of the date of this policy), or (ii) grant an exemption for companies listed on external exclusion lists based on updated information indicating that the company is no longer in breach.

7. Scope of the policy

The Exclusion Policy is applicable to all direct investments of Tikehau Capital's asset management and investment activities.

For external funds, the investment team conducts a qualitative assessment. It involves examining the Responsible Investment Policy of the general partner,

For investments in external funds, including exchange-traded funds (ETFs) and index derivatives, the investment team must conduct a due diligence and assess the compatibility of the external fund's exclusion policy with the Group policy. The qualitative assessment may also cover the product responsible investment strategy including SFDR classification and ESG labels.

For managed accounts, the Group can apply further restrictions and/or implement any exclusion list if agreed with the relevant investors.

Where exclusions are based on external data sources, the exclusion applies only to entities names on the list and not to their affiliates.

7.1. Specific scope for Fossil fuel exclusions

The fossil fuel exclusion policy applies to new investments as of 29th February 2024 covering Tikehau Capital's asset management and investment activities.

Due to a revision in the fossil fuel policy, changes in a portfolio company's strategy or changes to data, it may be possible that Tikehau Capital has investments in companies that are excluded from future investments (i.e. there is a "passive breach" of the exclusion policy). If such exposure is identified, Tikehau Capital will not increase exposure to the portfolio company, and the portfolio company will be subject to engagement. If engagement is unsuccessful, divestment is triggered if it is in the best interest of investors.

For managed accounts, the sales & investment teams apply best efforts to discuss opt-in to the Group fossil fuel exclusion policy, and/or align with the investor's (stricter) existing policy.

Concerning investment in external funds, the investment teams conduct due diligence and engage with external asset managers on their fossil fuel exclusion policies.

Tikehau Capital's fund of funds, limit their exposure to companies on the coal and oil and gas exclusion lists to a maximum of 5% of the total fund target size during the fundraising period. During the investment period, exposure to excluded companies is capped at 5% of the total commitments.

For other investments in externally-managed funds, including exchange-traded funds (ETFs), the portfolio weight of companies on the coal and oil and gas exclusion lists is capped at 5%.

Concerning investments in derivatives whose underlying is an index[14], investment teams conduct due diligence to assess the compatibility of the benchmark administrator's exclusion policy with Tikehau Capital exclusion criteria with the aim to ensure the index weight of companies on the coal and oil and gas exclusion lists is capped at 5%.

For the avoidance of doubt, tenants of our real estate portfolio and their activities are out of scope of this policy.

[14] Investment in derivatives whose underlying is a single stock are subject to the exclusion policy

8. Exemptions

Where more recent data contradicts the external data source[15], investment teams can provide evidence and request a review and validation by Tikehau Capital's Compliance-Risk-ESG working group.

For investments in external funds (including ETFs) or in index derivatives not aligned with the Group policy, exemptions may be granted by the Compliance-Risk-ESG working group if there is no alternative on the market with similar financial characteristics or if the investment is made mostly for hedging purposes.

8.1. Specific exemptions to Fossil fuel exclusions

Tikehau Capital's Impact Committee can grant exemptions from company-level restrictions on fossil fuels under certain circumstances.[16]

Exemptions may be granted under the following conditions:

- There is public data to demonstrate that a company no longer meets the exclusion thresholds.
- There is public data to demonstrate that a company-restriction should be applied to a different entity within a group.
- The company has a transition plan that is compatible with limiting global warming to 1.5°C. This must include quantified plans to achieve net zero emissions by 2050, which could include shutting down facilities, divesting assets and a quantified capex plan. Alignment should be assessed by third-party sources including, but not limited to the sources listed in Appendix 1. Exemptions shall not be granted to companies that breach the Expansion Criteria for coal.
- Regarding oil and gas, exemptions may be granted on a case by case basis under the following conditions:
  - The company is a signatory of the COP28 Oil & Gas Decarbonization Charter,[17] with targets to achieve net zero operations by 2050, elimination of routine flaring by 2030 and near-zero upstream methane emissions by 2030.
  - If the company is developing new projects, these need to be viable in the context of a global net zero pathway, with respect to two or more of the following factors: (i) production costs, (ii) the emissions intensity of production, (iii) energy security and (iv) economic development.
  - The company has a strategy to diversify into clean energy technologies, by deploying at least 25% of total investments in low carbon energy.[18]

Furthermore, exemptions may be granted for direct investments in external funds (including ETFs) or in index derivatives that have a higher than 5% exposure to restricted companies if there is no alternative on the market with similar financial characteristics or if the investment is made mostly for hedging purposes.

Finally, instruments issued by excluded companies that finance activities that are EU Taxonomy-aligned (*e.g.*, a green bond where 100% of the proceeds are used to finance EU Taxonomy-aligned activities) are not in the scope of the exclusion policy.

9. Implementation

Exclusion of companies from Tikehau Capital affiliates investment funds are not expected to significantly alter the risk- return profile of these funds. If a security held by a portfolio must be sold because of a breach of this Exclusion policy, the disposal must occur as soon as possible while preserving the best interests of investors.

Tikehau Capital seeks to develop exclusion lists based on external data sources. As of the date of this document, Tikehau Capital is conducting a review of external data sources to reinforce automatic screening, especially for the capital markets strategies business lines.

There are methodological limitations in implementing exclusion lists mainly due to lack of up-to-date information. Tikehau Capital is not responsible for the accuracy of the data sources

Appendix 1 – Data Sources for target companies and assets analysis

Data sources used as of the date of this policy and which may evolve over time.

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[15] Please see Appendix 1

[16] As of July 2024, the market value of direct investments (i.e. excluding fund of funds) in passive breach of this exclusion policy or granted exemptions is 0.01% of the Group's assets under management.

[17] https://www.cop28.com/en/news/2023/12/Oil-Gas-Decarbonization-Charter-launched-to–accelerate-climate-action

[18] According to the International Energy Agency (IEA), some companies have diversified their capital expenditure, moving into clean energy technology areas such as offshore wind, carbon capture, utilisation and storage (CCUS), low-emissions fuels, and electricity. Oil and gas companies with the largest proportions spent around 15-25% of their total capital budgets on clean energy in 2022 through mergers and acquisitions, joint ventures and direct investment. Source: IEA 2024, The Oil and Gas Industry in Net Zero Transitions

Tikehau Capital's Group **AML Country List** is based in the following sources:

- FATF assessments (black and grey lists),
- EU list of high risk countries,
- EU list of non-cooperative countries and territories,
- French Treasury list,
- UK HM Treasury and Office of Financial Sanctions Implementation lists,
- US Office of Foreign Asset Control lists, and
- Refinitiv's WorldCheck Comprehensive list.

Tikehau Capital's **controversial weapons** exclusions are based on the following data sources:

- S&P Business Involvement Screens (BIS) list of companies involved in "customized weapons" including anti-personnel mines, biological and chemical weapons and cluster munitions
- ISS ESG SFDR Principal Adverse Impact data list of companies' involved in controversial weapons including cluster munitions, anti-personnel mines and biological and chemical weapons.

Tikehau Capital's **adult entertainment** exclusions are based on S&P BIS list of companies deriving revenues from the production, retail and distribution of adult entertainment products and services.

Tikehau Capital's **tobacco** exclusions are based on S&P BIS list of companies deriving revenues from the production, retail and distribution of tobacco products and related products and services.

Tikehau Capital's **fossil fuel exclusion** policy is based on recognized and global external data sources published by Urgewald: the latest Global Coal Exit List and Global Oil and Gas Exit List. Urgewald updates these lists on an annual basis. The restrictions apply only to the specific entities named on these lists, *e.g.*, the specific subsidiary identified by the data source. As noted by Urgewald, there are methodological limitations in implementing fossil fuel exclusion policies mainly due to lack of information. As of the date of this document, Tikehau Capital's fossil fuel exclusion policy is based on the following data sources:

- The Urgewald Global Coal Exit List (published on 19 October 2023)[19]
- The Urgewald Global Oil and Gas Exit List (published on 15 November 2023)[20] .

To assess **exemptions from the fossil fuel exclusion** policy for companies that have a transition plan that is compatible with limiting global warming to 1.5°C, data sources to consider include, but is not limited to:

- Science-Based Targets initiative
- ACT initiative
- Transition Pathways Initiative
- Climate Action 100+ Net Zero Company Benchmark

Tikehau Capital's **palm oil** exclusions are based on S&P BIS list of companies deriving revenues from growing, and processing and trading palm oil. The share of RSPO-certified palm oil production/sourcing is obtained from the company's RSPO Annual Communication of Progress (ACOP) Report via the RSPO website[21].

Appendix 2 – Examples of serious breaches

Failure to respect fundamental principles	UN Global Compact (UNGC)	Serious allegation / verified use of forced labour and child labour without mitigation Serious allegation / verified case of corruption without mitigation
	OECD Guidelines for Multinational Enterprises	Serious allegation / verified of tax evasion without mitigation

[19] https://www.coalexit.org/
[20] https://gogel.org/
[21] https://rspo.org/as-an-organisation/membership/acop/

Appendix 3 – Additional exclusions linked to ESG labels

As per the January 2024 guidelines[22], funds seeking or with a Greenfin label exclude companies active in the fossil fuel value chain as follows:

- Companies developing new projects for the exploration, extraction, transportation (of coal, oil or gas), and refining of solid, liquid or gaseous fossil fuels, as well as new power generation capacity from solid, liquid or gaseous fossil fuels are excluded.
- "Stricly excluded" activities - Companies generating more than 5% of revenues from:
  - Exploration, extraction, refining and production of solid, liquid and gaseous fossil fuel products
  - The production of products derived from solid, liquid and gaseous fossil fuels.
  - Transport/distribution and storage of solid and liquid fossil fuels
  - Energy production as electricity and/or heat, heating and cooling from solid, liquid and gaseous fossil fuels
  - Supply of solid and liquid fossil fuels
- Companies generating 30% or more of revenues from:
  - Transport, distribution and storage of gaseous fuels
  - Supply services of gaseous fuels
  - Storage and landfill centres without GHG capture
  - Incineration without energy recovery;
  - Energy efficiency for non-renewable energy sources and energy savings linked to optimising the extraction, transportation and production of electricity from fossil fuels;
  - Logging, unless managed in a sustainable fashion as defined in the Greenfin label guidelines, and peatland agriculture.
  - The production, transport and distribution/sale of equipment and services to/from customers in strictly excluded activities (as defined above)

As per the Q3 2021 guidelines[23], funds seeking or with a LuxFLAG label must apply additional exclusions as follows:

- Controversial Weapons: white phosphorus / incendiary weapons, depleted uranium weapons and nuclear weapons are excluded. All companies involved in production, sales and distribution must be excluded.
- Tobacco: any traditional tobacco products as well as related products (e-cigarettes and next-generation tobacco/nicotine products) and supporting services (filters, smoking halls, etc). Exclusion of (i) companies deriving more than 5% of revenues from the production of tobacco and tobacco-related products and services and for (ii) companies deriving more than 15% of revenues from the retail and distribution of tobacco and tobacco-related products and services.
- Nuclear Energy: On hold at the date of this policy.

As the date of this policy, LuxFLAG is revising mandatory exclusions and Group funds with or applying for the LuxFLAG label will seek to respect the new exclusions.

As per the 2023 version of the Quality Standard[24], funds seeking or with the Towards Sustainability label, also apply stricter exclusions:

- Fossil fuel: Companies with over five % of revenues from thermal coal and oil & gas are excluded. The Company's absolute production of fossil fuel related products/services shall not be structurally increasing.
- Power generation: Companies deriving revenues from the generation of power/heat from non-renewable energy sources, or providing related dedicated equipment or service are excluded. The Company's absolute production of nuclear-based energy-related products/services shall not be structurally increasing.
- Tobacco: Companies with over 5 % of revenues from the production of tobacco, products that contain tobacco or the wholesale trading of these products
- Weapons: Companies with over five % of revenues from manufacturing weapons or of manufacturing tailor-made components, using, repairing, putting up for sale, selling, distributing, importing or exporting, storing or transporting of any type of weapon.

[22] https://www.ecologie.gouv.fr/sites/default/files/Label_TEEC_Criteria%20Guidelines.pdf
[23] https://luxflag.org/?jet_download=c2419923ef37f0f7590c72536f97f25f0b261420
[24] https://towardssustainability.be/public/TowardsSustainability_QSRevision2023_Final_20230630.pdf

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