Article 10 (SFDR)

Website disclosure for Article 8 funds

Indosuez Funds – Impact

Product name: **Impact ("Sub-fund")** **984500EA79CCF4554F45**	**Legal entity identifier:**
Does this financial product have a sustainable investment objective?	
☐ Yes	☒ No
☐ It will make a minimum proportion of **sustainable investments with an environmental objective: ___%** ☐ in economic activities that are considered environmentally sustainable under the EU taxonomy ☐ in economic activities that are not considered environmentally sustainable under the EU taxonomy	☒ It **promotes environmental and social (E/S) characteristics** and, although it does not have a sustainable investment objective, it will include a minimum of 10% sustainable investments ☐ having an environmental objective in economic activities that are considered environmentally sustainable under the EU taxonomy ☒ having an environmental objective in economic activities that are not considered environmentally sustainable under the EU taxonomy ☐ with a social objective
☐ It will make a minimum proportion of **sustainable investments with a social objective: __%**	☒ It promotes E/S characteristics, but **will not make sustainable investments**

A. Summary

By combining impact analysis and financial analysis before any investment, the management team selects companies that adopt a sustainable business model and, for all or part of their activities, offer goods and services that enable them to provide solutions to the Sustainable Development Goals (SDGs) set by the UN. Companies will therefore be analysed according to three main themes: 1) supporting a quality demographic transition (e.g. access to care, access to education, etc.; 2) supporting the ecological transition; and 3) supporting new responsible consumption patterns.

No benchmark has been designated for achieving the E/S characteristics promoted by the Sub-fund.

The binding elements of the investment strategy are as follows:

- The application of the above exclusion list;
- Systematic application of the ESG rating when analysing each security;
- At least 90% of the portfolio must have an ESG rating, excluding deposits, cash and borrowings,
- Only companies that have a positive impact assessment and whose impact can be measured may be eligible for investment. Each investment is therefore thoroughly assessed against one of the Sub-fund's three themes for which the impact objectives have been defined as described below. Impact indicators based in particular on financial indicators (e.g. sources of income, investments, etc.) and/or non-financial indicators (e.g. number of beneficiaries, tonnes of CO_2 avoided or captured, number of hectares of replanted forest, etc.) are used to monitor companies' contribution to the impact objectives formulated by theme. The analysis is supported by a review of companies' product and service offerings and relevant impact indicators, as well as other qualitative evidence of sustainable practices, as set out in companies' policies and action plans.
- Reduction of at least 20% in the investment universe based on the impact analysis.

The Sub-fund will use the following sustainability indicators to measure achievement of the above-mentioned E/S characteristics:

- The portion of investments made in the excluded activities described below;
- Percentage of investments with a positive impact assessment on support in a quality demographic transition.
- Percentage of investments with a positive impact assessment on support in an ecological transition.
- Percentage of investments with a positive impact assessment on support in a transition to new responsible consumption patterns.

B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have the objective of sustainable investment.

How have the indicators of adverse impacts been taken into account?

These indicators were taken into account through their monitoring (e.g., the issuer's GHG emission intensity). This monitoring is based on the combination of indicators (e.g., carbon footprint) and specific thresholds or rules (e.g., the target's carbon footprint cannot be in the lower decile of the sector). In addition to these criteria specifically established for this test, the Manager takes into account certain indicators of the Principal Adverse Impacts in its exclusion policy. This methodology does not currently take into account all the indicators of the Principal Adverse Impacts listed in Appendix 1 of the Commission Delegated Regulation (EU) 2022/1288 in this first DNSH test, but the methodology will gradually integrate these indicators as the quality and scope of the data improve.

To what extent do the sustainable investments comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights?

The alignment with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights is tested and ensured through the process of identifying sustainable investments. Through our ESG rating and exclusion policy, we review companies before including them in our investment universe.

The EU taxonomy establishes a principle of "do not cause significant harm" under which investments aligned with the taxonomy should not cause significant harm to the objectives of the EU taxonomy and which is accompanied by specific EU criteria.

The principle of "doing no significant harm" applies only to investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. Investments underlying the remaining portion of this financial product do not take into account EU criteria for environmentally sustainable economic activities.

Any other sustainable investment should not cause significant harm to environmental or social objectives.

C. Environmental or social characteristics of the financial product

What environmental and/or social characteristics are promoted by this financial product?

By combining impact analysis and financial analysis before any investment, the management team selects companies that adopt a sustainable business model and, for all or part of their activities, offer goods and services that enable them to provide solutions to the Sustainable Development Goals (SDGs) set by the UN. Companies will therefore be analysed according to three main themes: 1) supporting a quality demographic transition (e.g. access to care, access to education, etc.; 2) supporting the ecological transition; and 3) supporting new responsible consumption patterns.

No benchmark has been designated for achieving the E/S characteristics promoted by the Sub-fund.

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 aim of sustainable investments is to invest in target issuers with two objectives:

1) follow best environmental and social practices; and
2) not generate any products or services that harm the environment or society

It was established that “contributing to long-term sustainability criteria” applicable to issuers meant that they had to be exemplary in their sector in terms of at least one environmental or social factor. The definition of an exemplary issuer in its sector is based on the ESG rating methodology used to measure the ESG performance of the issuer. In order to qualify as “exemplary”, an issuer must be part of the top third of the companies in its business sector in terms of at least one environmental or social factor.
An issuer meets these long-term sustainability criteria if it is not significantly exposed to transactions that are incompatible with said criteria (e.g. tobacco, weapons, betting, coal, aviation, meat production, fertilizers and pesticide manufacturing, single-use plastic production).

If an issuer meets (i) the above-mentioned contribution criterion, (ii) passes the DNSH test as described in the following section and finally (iii) follows good governance practices (as described in the dedicated section), then the Manager qualifies this issuer as a sustainable investment (i.e. “pass/fail” approach).

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?

The DNSH *(Do No Significant Harm*) principle is tested based on the indicators of the Principal Adverse Impacts (such as the issuer's GHG emission intensity) through a combination of indicators (e.g. carbon footprint) and specific thresholds or rules (e.g., the issuer's carbon footprint cannot be in the lower decile of the sector). In addition to these criteria specifically established for this test, the Manager takes into account certain indicators of the Principal Adverse Impacts in its exclusion policy. This methodology does not currently take into account all the indicators of the Principal Adverse Impacts listed in Appendix 1 of the Commission Delegated Regulation (EU) 22/2018 in this first DNSH test, but the methodology will gradually integrate these indicators as the quality and scope of the data improve.

In addition to the sustainability factors covered by the first test, a second test has been defined to verify that the issuer’s environmental or social impact is not among the worst in the sector.

D. Investment strategy

What investment strategy does this financial product follow and how is it implemented continuously in the investment process?

The Sub-fund is a product invested in international equities. At least 80% of the Sub-fund’s portfolio will therefore be composed of shares in international companies.

The Sub-fund’s initial investment universe corresponds to the composition of the MSCI World Index. Since the Sub-fund is actively managed, however, the universe defined by the MSCI World is not exhaustive and the management team may select companies that are not included in the composition of the index.

Only companies that have a positive impact assessment and whose impact can be measured may be eligible for investment. To achieve this universe of securities eligible for investment, the management team implements a three-stage investment strategy:

A/ first of all, based on the Sub-fund’s initial investment universe, the management team identifies companies responding to the following three main themes:

1) supporting a quality demographic transition (e.g. access to care, access to education, etc.);
2) supporting the ecological transition; and
3) supporting new responsible consumption patterns. This identification is carried out on the basis of the activities, investments, articles of association or missions of each of the companies.

B/ on the basis of this universe of potentially eligible companies, the management team will exclude companies through:

- Application of the specific targeted sector exclusion policy, in accordance with the commitments made by the Crédit Agricole Group
- Systematic assessment of companies from an environmental, social and governance (ESG) perspective and incorporation of those assessments into investment decisions, notably by excluding

the lowest-rated companies (with a rating strictly below 8.35 on a scale of 0 to 100) whose assessment reveals a significant sustainability risk. The ESG ratings assigned are updated regularly and may be reviewed between two calculations in the event of serious controversies. The ESG rating methodology is described at www.ca-indosuez.com/fr/pages/ca-indosuez-wealth-asset-management

- Consideration of good governance criteria (see below).

C/ following these first two steps, the manager will analyse the externalities of each potential investment on the three main themes identified above. To do this, the impact will be analysed based on four key focuses:

- The company's intentionality, i.e. its intention to contribute to a sustainable development issue and to a positive and measurable social and/or environmental benefit. By way of illustration, the analysis could include the resources implemented by the company to generate the impact.
- Additionality, i.e. the specific contribution made by the investor to increase the net positive impact. To do this, the management team will particularly analyse whether the company is a leader in its segment and whether the technology or approach is unique, as well as its geographical areas of intervention.
- The materiality of the impact, i.e. the analysis of the goods and services offered by the company and the solution provided by them to the Sustainable Development Goals.
- The measurability of the impact, i.e. measurement of social and/or environmental externalities in relation to the impact objective. For example, this measurement may relate to the number of beneficiaries of a service, tonnes of waste treated, tonnes of CO_2 avoided, etc.

Only companies that have a positive impact assessment and whose impact can be measured may be eligible for investment. Each eligible investment is monitored on an ongoing basis to ensure that it continues to meet the investment criteria. To carry out this monitoring, the manager relies on alerts it receives from external data providers reporting any new developments or controversies, as well as on its own research.

If the manager finds that an issuer no longer meets the investment criteria or is at risk of no longer meeting the investment criteria, it assesses whether a dialogue with the issuer could be beneficial. If the nature of the breach of the investment criteria means that dialogue is unlikely to lead to a change, or if a dialogue has already taken place with the issuer but has not been successful, then the issuer will be removed from the eligible investment universe.

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?

The binding elements of the investment strategy are as follows:

- The application of the above exclusion list;
- Systematic application of the ESG rating when analysing each security;
- At least 90% of the portfolio must have an ESG rating, excluding deposits, cash and borrowings,
- Only companies that have a positive impact assessment and whose impact can be measured may be eligible for investment. Each investment is therefore thoroughly assessed against one of the Sub-fund's three themes for which the impact objectives have been defined as described below. Impact indicators based in particular on financial indicators (e.g. sources of income, investments, etc.) and/or non-financial indicators (e.g. number of beneficiaries, tonnes of CO_2 avoided or captured, number of hectares of replanted forest, etc.) are used to monitor companies' contribution to the impact objectives formulated by theme. The analysis is supported by a review of companies' product and service offerings and relevant impact indicators, as well as other qualitative evidence of sustainable practices, as set out in companies' policies and action plans.
- Reduction of at least 20% in the investment universe based on the impact analysis.

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

The governance criteria considered in the ESG rating as well as the exclusions help ensure that eligible companies and beneficiaries have good governance practices. Companies whose governance rating is less than or equal to 25 on the Indosuez Wealth Management rating scale, and/or whose rating for one of the sub-criteria of the Governance pillar of the issuer's ESG rating is strictly less than 8.35, will be excluded from the investment scope. In addition, companies subject to severe controversies will also be excluded from the investment scope.

Does this financial product take into account indicators concerning the principal adverse impacts on sustainability factors?

☒ Yes, the Sub-fund considers the Principal Adverse Impacts on sustainability factors as follows:

#	Adverse Impact Indicator	Approach

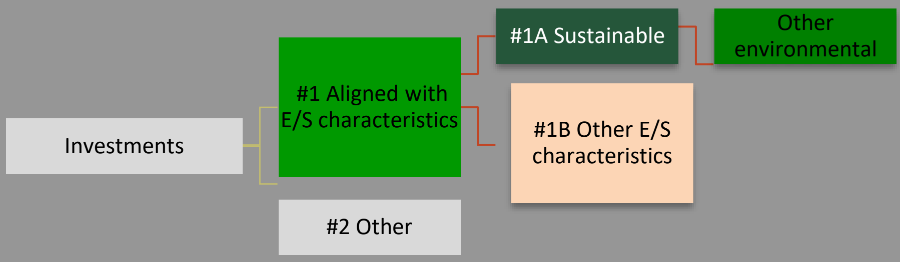
1	**GHG emissions (levels 1, 2 and 3)**	ESG rating and voting policy
2	**Carbon footprint**	ESG rating and voting policy
3	**GHG emission intensity of the companies benefiting from the investments**	ESG rating and voting policy
4	**Exposure to companies operating in the fossil fuel sector**	ESG Rating, exclusion policy and voting
5	**Share of non-renewable energy consumption and production**	ESG rating and voting policy
6	**Energy consumption intensity by sector with a high climate impact**	ESG rating and voting policy
7	**Activities with an adverse impact on biodiversity-sensitive areas**	ESG rating
8	**Discharges into water**	ESG rating
9	**Ratio of hazardous waste and radioactive waste**	ESG rating
10	**Violations of the United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises**	Exclusion policy and voting policy
11	**Absence of processes and compliance mechanisms to monitor compliance with the United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises**	Voting policy
12	**Uncorrected pay gap between men and women**	Voting policy
13	**Diversity within governance bodies**	Voting policy
14	**Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons or biological weapons)**	Exclusion policy
15	**GHG emission intensity**	ESG rating
16	**Investment countries experiencing violations of social standards**	Exclusion policy

☐ No

E. Proportion of investments

What is the asset allocation planned for this financial product?

A minimum of 80% of assets will be invested in issuers that are aligned with the E/S characteristics promoted (#1 Aligned with the E/S characteristics); among these investments, those considered sustainable investments will represent at least 10% of assets (#1A Sustainable). The rest (20%) will consist of cash, cash equivalents as well as unscreened investments and will not be aligned with the E/S characteristics promoted (#2 Other).



Category #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.

Category #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.

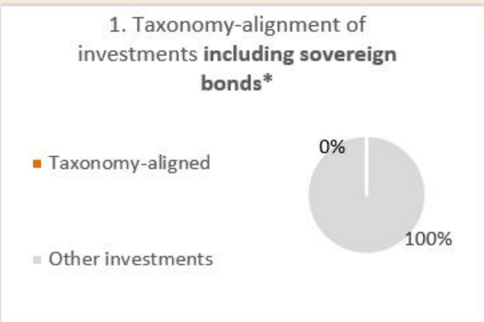
Category #1 Aligned with E/S characteristics includes:

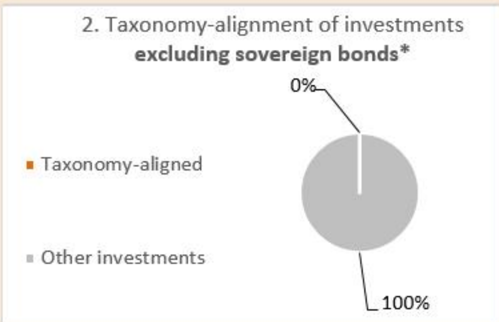
- the #1A Sustainable sub-category covering sustainable investments with environmental or social objectives.
- the #1B Other E/S characteristics sub-category covering investments aligned with environmental or social characteristics that are not considered sustainable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy? (Include the methodology used to calculate alignment with the EU taxonomy and why; and the minimum share in transitional and enabling activities)

The Sub-fund is currently not committed to investing in a sustainable investment within the meaning of the EU taxonomy, but only within the meaning of the sustainable finance disclosure regulation ("SFDR"). However, this position is maintained under review as the underlying rules are finalized and the availability of reliable data increases over time. As a result, the alignment of this Sub-fund's investments with the EU taxonomy has not been calculated and has therefore been considered as constituting 0% of the portfolio.

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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-fund undertakes to make at least 10% sustainable investments whose environmental objective is in line with SFDR. These investments could be aligned with the EU taxonomy, but the Manager is not currently in a position to specify the exact proportion of the Sub-fund's underlying investments that take into account the EU criteria for environmentally sustainable economic activities. However, this position will be maintained under review as the underlying rules will be finalized and the availability of reliable data will increase over time.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The "#2 Other" category consists of cash and cash equivalents held on an ancillary basis and possibly derivatives as well as unfiltered investments.

The purpose of these investments is to:

- Honour redemptions without structurally compromising the portion of the portfolio invested in international equities, or
- Be able to rapidly take advantage of identified investment opportunities,
- Desensitise part of the portfolio to the equity markets in the event of a sharp decline in those markets,
- Diversify the portfolio.

For cash equivalents, the Sub-fund ensures that it invests in money market funds qualified as Article 8 or 9 under the SFDR.

For the remaining investments in this category, no minimum environmental or social guarantee exists.

F. Control of environmental or social characteristics

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

In order to measure the achievement of the above-mentioned E/S characteristics, the Sub-fund will monitor the following sustainability indicators:

- The portion of investments made in the excluded activities described below;
- Percentage of investments with a positive impact assessment on support in a quality demographic transition.
- Percentage of investments with a positive impact assessment on support in an ecological transition.
- Percentage of investments with a positive impact assessment on support in a transition to new responsible consumption patterns.

How are environmental or social characteristics and sustainability indicators monitored throughout the life cycle of the financial product and what is the associated internal/external control mechanism?

The Manager monitors the portfolio's sustainability indicators throughout the Sub-fund's life cycle. Independent controls are carried out by the Management Company to ensure compliance with commitments.

G. Methods

What is the method used to measure the achievement of environmental or social characteristics promoted by the financial product using sustainability indicators?

The ESG rating used to determine the quantitative ESG score is translated into seven ratings, ranging from A (the best scores in the universe) to G (the worst). In the ESG rating scale, the securities on the exclusion list receive a G score. For corporate issuers, ESG performance is assessed overall and at the level of the relevant criteria by comparison with the average performance of its business sector, by combining the three ESG dimensions.

- Environmental dimension: it evaluates the ability of issuers to control their direct and indirect environmental impact by limiting their energy consumption, reducing their greenhouse gas emissions, combating resource depletion and protecting biodiversity;
- Social dimension: it measures how an issuer operates on two distinct concepts: its strategy to develop its human

capital and respect for human rights in general.
- Governance dimension: It assesses the issuer's ability to put in place the foundation for an effective corporate governance framework and to generate long-term value.

The ESG rating methodology is based on 38 generic criteria (common among all companies regardless of their activity), or sector-based criteria, weighted by sector and assessed according to their impact on an issuer's reputation, operational efficiency and regulation. ESG ratings can be expressed overall on the three E, S and G dimensions or individually on any environmental or social factor.

H. Data sources and processing

What data sources are used to achieve each of the environmental or social characteristics, including the measures taken to ensure the quality of the data, how they are processed and the proportion of estimated data?

ESG scores are established using an external ESG analysis framework and scoring methodology. The following data sources are used to define ESG scores: Moody, ISS-Oekem, MSCI and Sustainalytics.

Data quality

Data quality controls for external data providers are managed by a dedicated unit. Controls are deployed at different stages of the value chain, including pre-integration controls, post-integration controls and post-calculation controls, to name only the controls of proprietary scores.

Data processing

External data are collected and controlled by the aforementioned unit and are then integrated into the SRI module.

The SRI module is a proprietary tool that ensures the collection, quality control and processing of ESG data from external data providers. It also calculates issuers' ESG ratings according to the rating methodology. ESG ratings in particular are displayed in the SRI module for portfolio managers, risk, reporting and ESG teams in a transparent and user-friendly manner (issuer ESG rating and criteria and weightings for each criterion).

For ESG ratings, at each stage of the calculation process, the scores are standardised and converted into Z scores (difference between the company score and the sector average score, expressed in number of standard deviations). Thus, each issuer is evaluated and assigned a score that is in line with the average of its sector, making it possible to distinguish the best practices from the worst ones at the sector level (Best-in-Class approach). At the end of the process, each issuer is assigned an ESG score (from approximately -3 to +3) and the equivalent on a scale of letters ranging from A to G, where A is the best score and G is the worst.

The data is then disseminated on a dedicated portfolio manager platform and is monitored by the risk team.

Estimated proportion of data

ESG scores are based on data from external data providers, ESG research/assessments, or obtained through a reputed regulated third party specialising in the establishment of professional ESG scores and assessments. In the absence of mandatory ESG reporting at the company level, estimates are an essential part of the methodology of data providers.

I. Limitations to methodologies and data

What are the limitations to methodologies and data sources? (Include how these limits do not affect the achievement of environmental or social characteristics and the measures taken to address these limitations)

The limitations of methodology are intrinsically linked to the use of ESG data. The ESG data universe is in the process of being normalised, which may have an impact on data quality; data coverage is also a limitation. Current and future regulations will improve standardised reporting and the company information on which ESG data is based.

In order to mitigate these limitations, a combination of approaches is put in place: monitoring controversies, using different data providers, a qualitative assessment of ESG scores structured by the ESG review team, and the establishment of strong governance.

J. Due diligence

What is the due diligence performed on the underlying assets and what are the internal and external controls in place?

Each month, ESG scores are recalculated using a quantitative methodology. The result of this calculation is then examined by ESG analysts who carry out a qualitative “sampling control” of the sector based on various checks on the following (non-exhaustive list): main significant variations in the ESG score, list of new names with a weak score, and the main difference between the scores of two suppliers. After this review, the analyst can replace a score with the calculated score, which is validated by the team’s management and documented by a rating stored in the database.

Participatory policies

Companies invested or potentially invested at the issuer level are involved in this process, regardless of the type of holdings held (equities and bonds). The issuers involved are selected primarily according to their level of exposure to the object of the holding, since the environmental, social and governance issues that companies face have a major impact on society, both in terms of risks and opportunities.

K. Engagement policies

Is engagement part of the environmental or social investment strategy?

☐ Yes
☒ No

L. Designated benchmark

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?

☐ Yes
☒ No