Article 10 (SFDR)

Website disclosure for an Article 8 fund

Indosuez Estrategia - Quality Thematics

Product name: Quality Thematics ("Sub-Fund")	Legal entity identifier: 549300P92M5I5B6RZB90
Does this financial product have a sustainable investment objective?	
☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective: ___%** ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it had a proportion of 10% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

A. Summary

The environmental and/or social characteristics ("E/S"), promoted by the Sub-Fund, consist in investing primarily in high-ESG profile companies, based on a best-in-class approach, while excluding companies involved in the coal and tobacco industries:

Coal policy
The following exclusion thresholds apply to all companies:

- Companies developing or planning to develop new thermal coal capacities along the entire value chain (producers, extractors, power plants, transport infrastructure);
- Companies deriving more than 25% of their revenues from thermal coal extraction;
- Companies with a thermal coal extraction of 100 million tonnes or more with no intention of reducing the same;
- All companies whose income from thermal coal extraction and production of electricity from thermal coal exceeds 50% of the total income without analysis;
- All companies operating in thermal coal extraction and electricity production from thermal coal whose threshold falls between 25% and 50% of their income and whose energy transition score is low.

Tobacco policy
Companies that manufacture tobacco products (revenues greater than 5%) are excluded.

ESG rating evaluation
The Management Company and the Managers also draw on the analysis of an external provider, which has dedicated resources and teams with ESG-related experience. The provider assigns ESG ratings to target investments based on the analysis of 37 environmental, social and governance criteria, comprising 16 generic criteria and 21 criteria specific to the different sectors and several data providers. The ESG ratings received are converted by applying a rating grid specific to the Management Company on a scale of 0 (lowest rating) to 100 (highest rating).

This analysis enables the implementation of a rigorous investment selection process that excludes companies that comply neither with the ESG policy of the group to which the Management Company belongs, nor with international conventions and internationally recognised regulatory frameworks or national regulatory frameworks.

This is the case, for example, with:

- Any investment in companies involved in the manufacture, sale or storage of anti-personnel mines and cluster bombs, or services related thereto, in accordance with the Ottawa Treaty and the Oslo Convention;
- Companies producing, storing and selling chemical weapons, biological weapons or depleted uranium weapons;
- Companies that seriously and repeatedly breach one or more of the 10 principles of the Global Compact, without credible remedial action.

No benchmark has been designated for the purpose of 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,
- The portfolio's average ESG rating must be higher than the ESG rating of the investment universe or the benchmark.

In order to measure the achievement of the above-mentioned E/S characteristics, the Sub-Fund will use the following sustainability indicators:
- Percentage of issuers covered by an ESG rating methodology (at least 90%);
- Average ESG rating of the portfolio;
- Average ESG rating of the initial universe;
- Difference between the portfolio's average ESG rating and the average ESG rating of the initial universe;
- The portion of investments made in the excluded activities described below;
- -The portion of the investment universe excluded following the implementation of the ESG strategy.

B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

How does this financial product take into account principal adverse impacts on sustainability factors?

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) 22/2018 in this first DNSH test, but the methodology will gradually integrate these indicators as the quality and scope of the data improve.

Are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN 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.

C. Environmental or social characteristics of the financial product

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

The environmental and/or social characteristics ("E/S"), promoted by the Sub-Fund, consist in investing primarily in high-ESG profile companies, based on a best-in-class approach, while excluding companies involved in to the coal and tobacco industries more specifically.

The Sub-Fund follows targeted sector-based exclusions specific to the coal and tobacco industries:

Coal policy
The following exclusion thresholds apply to all companies:

- Companies developing or planning to develop new thermal coal capacities along the entire value chain (producers, extractors, power plants, transport infrastructure);
- Companies deriving more than 25% of their revenues from thermal coal extraction;
- Companies with a thermal coal extraction of 100 million tonnes or more with no intention of reducing the same;
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Tobacco policy
Companies that manufacture tobacco products (revenues greater than 5%) are excluded.

ESG rating evaluation
The Managers also draw on the analysis of an external provider, which has dedicated resources and teams with ESG-related experience. The provider assigns ESG ratings to target investments based on the analysis of 37 environmental, social and governance criteria, comprising 16 generic criteria and 21 criteria specific to the different sectors and several data providers. The ESG ratings received are converted by applying a rating grid specific to the Managers on a scale of 0 (lowest rating) to 100 (highest rating).

This analysis enables the implementation of a rigorous investment selection process that excludes companies that comply neither with the ESG policy of the group to which the Management Company belongs, nor with international conventions and internationally recognised regulatory frameworks or national regulatory frameworks.

No benchmark has been designated for the purpose of 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 means that they have 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).

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 the strategy implemented in the investment process on a continuous basis?

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This analysis enables the implementation of a rigorous investment selection process that excludes companies that comply neither with the ESG policy of the group to which the Management Company belongs, nor with international conventions and internationally recognised regulatory frameworks or national regulatory frameworks.

This is the case, for example, with:

- Any investment in companies involved in the manufacture, sale or storage of anti-personnel mines and cluster bombs, or services related thereto, in accordance with the Ottawa Treaty and the Oslo Convention;
- Companies producing, storing and selling chemical weapons, biological weapons or depleted uranium weapons;
- Companies that seriously and repeatedly breach one or more of the 10 principles of the Global Compact, without credible remedial action.

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,
- The portfolio's average ESG rating must be higher than the ESG rating of the investment universe or the benchmark.

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

The governance criteria within the ESG rating and exclusions ensure that the target issuers have good governance practices. In particular, these criteria ensure that the Sub-Fund does not contribute to the violation of human or labour rights, corruption or other actions that could be considered unethical. This is based on global standards and principles, which include (but are not limited to) the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights.

In addition, the Sub-Fund seeks to promote good governance of these issuers by considering the governance structure of the issuer.

Does this financial product consider 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 intensity of investee companies	ESG rating and voting policy
4	Exposure to companies operating in the fossil fuel sector	ESG Rating, exclusion policy and voting policy
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 negatively affecting biodiversity-sensitive areas	ESG rating
8	Emissions to 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	Lack of processes and compliance mechanisms to monitor compliance with the United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises	Voting policy
12	Unadjusted gender pay gap	Voting policy
13	Board gender diversity	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	Investee countries subject to social violations	Exclusion policy

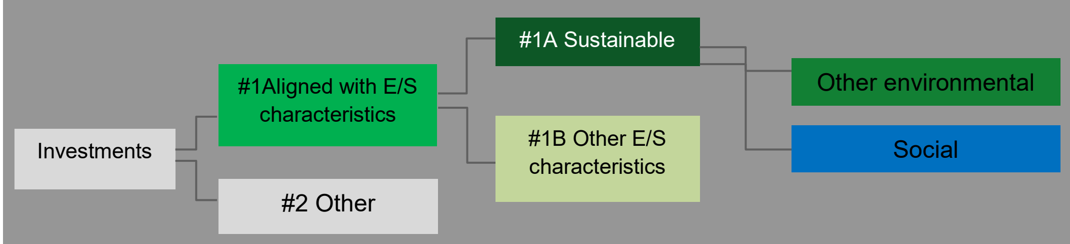
Further information on how the Principal Adverse Impacts on sustainability factors has been taken into account will be available in the Sub-Fund's periodic reports.

☐ No

E. Proportion of investments

What is the planned asset allocation for this financial product?

A minimum of 65% of assets will be invested in issuers aligned with the E/S characteristics promoted (#1 Aligned with the E/S characteristics). Among these investments, those considered as sustainable investments will represent at least 10% of the assets (#1A Sustainable). The remaining portion of the assets (<35%) will consist of cash, cash equivalents as well as unscreened investments and will not be aligned with the E/S characteristics promoted (#2 Other).



#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.

#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.

The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? (including what methodology is used for the calculation of the alignment with the EU Taxonomy and why; and what the minimum share of transitional and enabling activities)

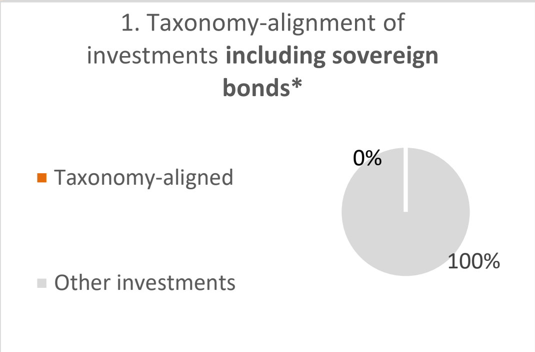
The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

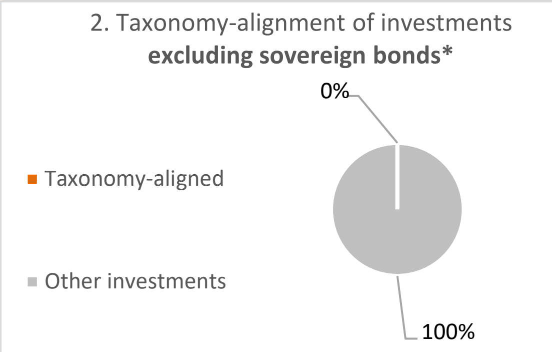
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the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

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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?

Category "#2 Other" consists of unscreened investments for diversification purposes, investments for which all data is not available, or cash held in the form of ancillary liquid assets. There are no minimum environmental or social guarantees for such investments.

F. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment 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 use the following sustainability indicators:

- Percentage of issuers covered by an ESG rating methodology (at least 90%);
- Average ESG rating of the portfolio;
- Average ESG rating of the initial universe;
- Difference between the portfolio's average ESG rating and the average ESG rating of the initial universe;
- The portion of the investment universe excluded following the implementation of the ESG strategy.

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

The Investment Manager monitors the sustainability indicators of its portfolio throughout the life cycle of the Sub-Fund. Independent checks are carried out by the Management Company to ensure compliance with the commitments.

G. Methodologies

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

The ESG rating used to determine the ESG score is a quantitative score translated into seven grades, ranging from A (the best grades in the universe) to G (the worst). In the ESG rating scale, the securities on the exclusion list are those rated G. For corporate issuers, ESG performance is assessed overall and on the relevant criteria by comparison with the average performance of the industry by combining the three ESG dimensions.

- Environmental dimension: assesses the capacity 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: 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: assesses the issuer's ability to put in place the basis for an effective corporate governance framework and to generate long-term value.

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

H. Data sources and processing

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

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

Data quality

Data quality checks on external data providers are managed by a dedicated unit. The checks are deployed at different stages of the value chain, whether they are pre-integration checks, post-integration checks or post-calculation checks, including checks on proprietary scores.

Data processing

External data are collected and checked by the above-mentioned unit and are then integrated into the SRI module.

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

For ESG ratings, at each step of the calculation process, scores are normalised and converted into Z-scores (difference between the company's score and the average score of the sector, expressed in number of standard deviations). In this way, each issuer is evaluated and assigned a score that is within the average for its sector, which makes it possible to distinguish between the best and worst practices at the sector level (best-in-class approach). At the end of the process, each issuer is given an ESG score (ranging from approximately -3 to +3) and the equivalent on a letter scale from A to G, where A is the best and G the worst.

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

Proportion of estimated data

ESG scores are compiled using data from external data providers, ESG studies/assessments, or through a regulated third party recognised for professional ESG scoring and assessment. In the absence of mandatory ESG reporting at company level, estimates are an essential part of the data providers' methodology.

I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

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

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

J. Due diligence

What is the due diligence carried out 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 reviewed by the ESG analysts who perform a qualitative "sample check" of the sector based on various checks including (but not limited to): major significant variations in ESG score, list of new names with a bad score, major score divergence between two suppliers. After this review, the analyst may replace a score with the calculated score, which is validated by the team management and documented by a score 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 (stocks and bonds). The issuers involved are chosen primarily on the basis of their level of exposure to the subject matter of the investment, as the environmental, social and governance issues facing companies 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. Reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

☐ Yes
☒ No