

Article 10 (SFDR)

Website disclosure for Article 8 funds

Indosuez Funds - Euro Value

Product name: Euro Value ("Sub-Fund")

Legal entity identifier: 549300F00KE3D5E2PG50

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 are considered environmentally sustainable under the EU taxonomy

in economic activities that are not considered environmentally sustainable under the EU taxonomy

It will make a minimum of **sustainable investments with a social objective**: ___%

It **promotes environmental and social (E/S) characteristics** and, although it does not have the objective of sustainable investment, will include a minimum proportion of 10% of 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 promotes E/S characteristics, but **will not make 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 in particular.

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 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.

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 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 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) 22/2018 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 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.



C. Environmental or social characteristics of the financial product

What environmental and/or social characteristics are 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 the coal and tobacco industries in particular.

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

Coal policy

The following exclusion thresholds apply to all companies:

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- Companies deriving more than 25% of their revenues from thermal coal extraction;
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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.

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 considered in the ESG rating as well as the exclusions help ensure that target issuers have good governance practices. These criteria make it possible to ensure, in particular, 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 approach is based on global standards and principles, which include (but are not limited to) the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights.

In addition, the Sub-Fund strives to promote the good governance of these issuing entities by considering the issuer's governance.

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

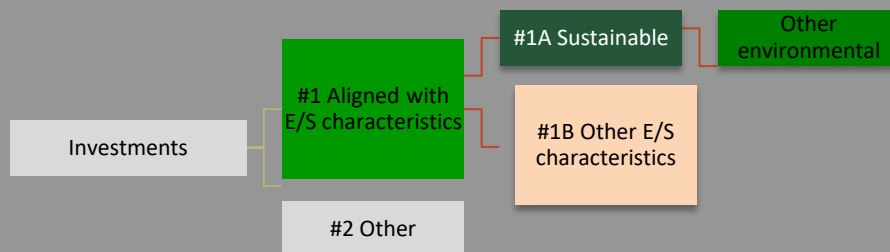
No



E. Proportion of investments

What is the asset allocation planned for this financial product?

A minimum of 65% 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 (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.

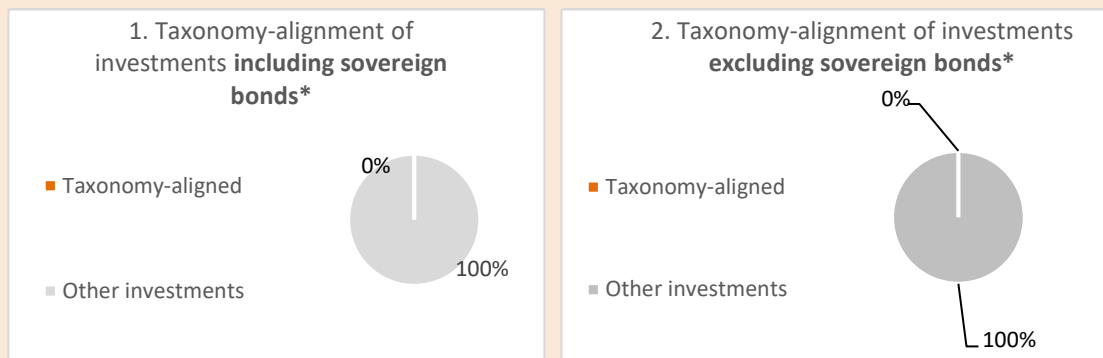
The #1 Aligned with E/S characteristics category includes:

- 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?

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. 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 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 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 ESG score is a quantitative score 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, through the combination of 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 evaluates 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-Oekom, 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 practices 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 recognised 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 limitations 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 the ESG analysts who carry out a qualitative "sampling control" of the sector based on various checks of the following (non-exhaustive list): main significant variations in the ESG score, list of new names with a weak score, 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.

Holding policies

Companies invested or potentially invested at the issuer level are involved in this process, regardless of the type of holdings (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