

Financial market participant

CA Indosuez Wealth – LEI : *969500IHDSNRRY5LDB67*

Summary

CA Indosuez Wealth, *969500IHDSNRRY5LDB67*, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated principal adverse sustainability impacts statement of CA Indosuez Wealth *and its subsidiaries, namely:*

- CA Indosuez, 17 rue du Docteur Lancereaux 75008 Paris, France
- CA Indosuez Gestion, 17 Rue du Docteur Lancereaux 75008 Paris, France
- CA Indosuez Wealth Europe 39 allée Scheffer L-2520 Luxembourg
- CA Indosuez (Switzerland) SA Quai du Général-Guisan 4, 1204 Genève, Suisse
- CFM Indosuez Wealth, 11 boulevard Albert 1er 98000 Monaco
- CFM Indosuez Gestion, 2 Rue des Princes 98000 Monaco
- CA Indosuez Wealth Asset Management, 31-33 Avenue Pasteur, L-2311 Luxembourg, Luxembourg

This principal adverse impacts statement covers the reference period from 1st January to 31 December 2022.

Description of principal adverse impacts on sustainability factors

Under the SFDR regulation, all financial market participants operating in the EU or offering financial products in the EU are required to disclose the negative impacts of their investment decisions on sustainable development through what are commonly known as principal adverse impacts (referred to as PAI in the rest of this document).

Indosuez Wealth Management has therefore developed its own methodology for calculating these principal adverse impacts in accordance with the directives of the SFDR RTS regulation.

This regulation defines 18 mandatory indicators, 14 of which apply to investments in companies, 2 to investments in sovereign states and 2 to investments in real estate. It also defines two lists of optional indicators, one comprising 22 environmental indicators and the other 24 social and governance indicators.

SFDR RTS requires all financial market participants to disclose the 18 mandatory indicators, but it is also necessary to include at least one environmental optional indicator and one social and governance optional indicator.

Indosuez Wealth Management's approach to PAI consideration is detailed in its PAI consideration policy, which is available via the following link: <https://ca-indosuez.com/fr/pdfPreview/36476>.

Indosuez Wealth Management integrates the PAI in its investment decisions for its article 8 & 9 concerned products. For each product, Indosuez Wealth Management details the PAI which are taken into consideration in the pre-contractual appendices and communicate the impact of this consideration in their periodic reporting.

Calculation methodology

Indosuez Wealth Management uses a data provider to calculate the principal adverse impacts. It is important to note that the regulations are still rather vague as to the methodology to be applied for calculating the principal adverse impacts and that the results of these calculations may therefore differ from one market player to another. In addition, some indicators are estimated by data providers (e.g. scope 3 greenhouse gas emissions) whose methodology may affect the results of these indicators to a greater or lesser extent. It is therefore important to consider this plurality of methodologies within the different data providers when comparing the principal adverse impacts between the different market players.

For the purpose of calculating the PAI and according to the information contained in Annex I of the Delegated Regulation (EU) 2019/2088, the current value of all investments includes all Indosuez Wealth Management investment positions, whether in live securities, UCIs, derivatives or cash. The calculation method developed by Indosuez Wealth Management is based on the recovery of LEI - Legal Entity Identifier - codes in order to have a common base for all investments made by the financial market participant. From this code, Indosuez Wealth Management retrieves the data relating to the PAI via its data provider. It is therefore possible that the coverage rate, and consequently the value of the PAI, may be distorted due to a lack of data or to the fact that it was impossible to retrieve the LEI code for the investment. Added to this, in the interests of consistency and transparency, Indosuez Wealth Management has not applied its methodology for calculating the principal adverse impacts to private equity, mutual funds and structured products. The latter are included in Indosuez Wealth Management's assets under management but are not subject to an analysis of the principal adverse impacts. Indosuez Wealth Management is actively working to develop a methodology which would enable a better calculation for the PAI through the integration of these three perimeters and the improvement of data quality and coverage. From January 2024, a better coverage of the PAI calculation should appear thanks to CSRD to publish their non-financial reporting in 2025 in respect of the 2024 financial year.

It should be noted that due to the continuous evolution of regulations and the progressive provision of data by companies, the methodology for calculating the principal adverse impacts developed by Indosuez Wealth Management may be subject to change.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation		Actions taken
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions						
1. GHG emissions	Scope 1 GHG emissions	2,456,123.40 tCO2e	n/a			Coverage 23.42% PAI taken into account

	Scope 2 GHG emissions	451,785.44 tCO2e	n/a	<p>The PAI is calculated according to the formula given in Annex I of Delegated Regulation (EU) 2019/2088 which follows:</p> $\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$	Coverage 23.42%	through the ESG ratings and voting group policy
	Scope 3 GHG emissions	15,990,762.10 tCO2e	n/a		Coverage 23.39%	
	Total GHG emissions	18,884,795.77 tCO2e	n/a		Coverage 23.39%	
2. Carbon footprint	Carbon footprint	170.70 tCO2e per €M EVIC	n/a	<p>The PAI is calculated according to the formula given in Annex I of the Delegated Regulation (EU) 2019/2088 which follows:</p> $\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope 1, 2 and 3 GHG emissions}_i \right)}{\text{current value of all investments (€M)}}$	Coverage 23.39%	PAI taken into account through the ESG ratings and voting group policy
3. GHG intensity of investee companies	GHG intensity of investee companies	275.31 tCO2e per €M revenue	n/a	<p>The PAI is calculated according to the formula given in Annex I of the Delegated Regulation (EU) 2019/2088 which follows:</p> $\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{investee company's Scope 1, 2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$	Coverage 23.39%	PAI taken into account through the ESG ratings and voting group policy
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	2.49 %	n/a	Any company involved in the extraction, processing, storage or transport of petroleum products, natural gas or metallurgical coal will be marked "yes" to indicate its involvement in the fossil fuel sector.	Coverage 23.20%	PAI taken into account through exclusion and voting group policy
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable	<p>Share of non-renewable energy consumption: 11.96%</p> <p>Share of non-renewable energy production: 0.03%</p>	n/a	<p>At company level, Indosuez Wealth Management relies on 3 different metrics provided by its supplier for this PAI:</p> <ol style="list-style-type: none"> 1. The company's total consumption of non-renewable energy 2. The company's total energy consumption (in Gwh) 3. The company's percentage of non-renewable energy production and consumption 	Coverage share of non-renewable energy consumption: 15.13%	PAI taken into account through the ESG ratings and voting group policy

	energy sources compared to renewable energy sources, expressed as a percentage			<p>To determine the percentage of non-renewable energy consumption at company level, Indosuez Wealth Management applies the formula below:</p> $100 \times \left(\frac{\text{company's consumption of non renewable energy}_i}{\text{company's total consumption of energy}_i} \right)$ <p>To determine the percentage of non-renewable energy production at company level, Indosuez Wealth Management applies the difference between the company's percentage of non-renewable energy production and consumption and the company's previously calculated percentage of non-renewable energy consumption.</p>	<p>Coverage share of non-renewable energy production : 5.44%</p>	
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6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	<p>A-Agriculture, forestry and fishing: 0.25 GWH per €M revenue</p> <p>B-Mining and quarrying: 19.71GWH per €M revenue</p> <p>C-Manufacturing: 13.44 GWH per €M revenue</p> <p>D-Electricity, gas, steam and air conditioning supply: 76.07 GWH per €M revenue</p> <p>E- Water supply, sewerage, waste management and remediation activities: 89.81 GWH per €M revenue</p> <p>F-Construction: 1.12 GWH per €M revenue</p> <p>G-Wholesale and retail Trade, repair of motor vehicles and motorcycles: 3.99 GWH per €M revenue</p> <p>H-Transportation and storage: 14.03 GWH per €M revenue</p> <p>L-Real estate activities: 4.19 GWH per €M revenue</p>	n/a	<p>In accordance with SFDR regulations, this measure only applies to companies in what the regulations define as high climate impact sectors.</p> <p>Sectors with a high climate impact are defined as belonging to one of the following categories:</p> <ul style="list-style-type: none"> • NACE A: Agriculture, forestry and fishing • NACE B: Mining and quarrying • NACE C: Manufacturing • NACE D: Electricity, gas, steam and air conditioning supply • NACE E: Water supply, sewerage and waste management activities • NACE F: Construction • NACE G: Wholesale and retail trade, repair of motor vehicles and motorbikes • NACE H: Transportation and storage • NACE L: Real estate activities <p>At company level, Indosuez Wealth Management directly recovers the energy consumption in GWh per million euros of turnover supplied by the data provider.</p> <p>Indosuez Wealth Management aggregates the value of this PAI according to the following formula :</p> $\sum_i^n \left(\frac{\text{company's total consumption of energy(GWh)}}{\text{investee company's €M revenue}_{i_t}} \times \frac{\text{current value of investment}_i}{\text{current value of all investment in the NACE section (x)}} \right)$	<p>Coverage A : 5.02 e-4%</p> <p>Coverage B : 0.90%</p> <p>Coverage C : 6.92%</p> <p>Coverage D : 0.58%</p> <p>Coverage E : 0.16%</p> <p>Coverage F : 0.26%</p> <p>Coverage G : 0.81%</p> <p>Coverage H : 0.30%</p> <p>Coverage L : 0.45%</p>	PAI taken into account through the ESG ratings and voting group policy
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Biodiversity						
7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.24%	n/a	<p>At company level, Indosuez Wealth Management relies on data supplied by its data provider.</p> <p>A "yes" to this criterion implies that the company has sites/operations located in or near biodiversity-sensitive areas.</p> <p>To provide this data, the supplier relies on two measures:</p> <ol style="list-style-type: none"> 1. If a company owns, leases or manages operational sites in protected areas or areas of high biodiversity value outside or adjacent to protected areas, as declared by the company. 2. If the company is involved in a serious controversy related to the use or management of the company's natural resources, according to the supplier's own methodology. 	Coverage : 23.26%	PAI taken into account through the ESG ratings

Water						
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	1.38 tonnes of emissions per €M invested	n/a	<p>At company level, Indosuez Wealth Management applies the formula below to calculate the PAI:</p> $\frac{\text{company's emissions to water (metric tonnes)}_i}{\text{investee company's enterprise value (€M)}_i}$	Coverage : 0.36%	PAI taken into account through the ESG ratings
Waste						
9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0.91 tonnes of emissions per €M invested	n/a	<p>At company level, Indosuez Wealth Management applies the formula below to calculate the PAI:</p> $\frac{\text{company's hazardous waste (metric tonnes)}_i}{\text{investee company's enterprise value (€M)}_i}$	Coverage : 8.46%	PAI taken into account through the ESG ratings

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.47%	n/a	<p>At company level, Indosuez Wealth Management relies on data supplied by its data provider.</p> <p>A "red" for this criterion implies that the company's activities and/or products is subject to a severe controversy related to the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.</p>	Coverage : 23.28%	PAI taken into account through the exclusion and voting group policy
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	9.74%	n/a	<p>At company level, Indosuez Wealth Management relies on data supplied by its data provider</p> <p>A "no evidence" indicates that the company is not a signatory to the United Nations Global Compact.</p>	Coverage : 23.19%	PAI taken into account through the voting group policy
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	1.04%	n/a	<p>In accordance with regulations, the pay gap between men and women is calculated by taking the difference between the average gross hourly pay of male and female employees.</p> <p>At company level, Indosuez Wealth Management retrieves the gender pay gap directly from its data provider.</p>	Coverage : 5.14%	PAI taken into account through the voting group policy

13. Board gender diversity	Average ratio of female to male board members in investee companies	8.59%	n/a	Defined as the average ratio between the number of female and male board members in the companies held, expressed as a percentage of all board members.	Coverage : 22.51%	PAI taken into account through the voting group policy
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.05%	n/a	Any company involved in owning, manufacturing or investing in landmines, anti-personnel landmines, cluster munitions, chemical or biological weapons will be marked with a "yes" to indicate exposure to controversial weapons.	Coverage : 23.20%	PAI taken into account through the exclusion group policy

Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation		Actions taken
Environmental						
15. GHG intensity	GHG intensity of investee countries	2.97 tCO2 per €M GDP	n/a	<p>The PAI is calculated according to the formula given in Annex I of the Delegated Regulation (EU) 2019/2088 which follows:</p> $\sum_i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{The country's Scope 1, 2 and 3 GHG emissions}_i}{\text{Gross Domestic Product}_i(\text{€M})} \right)$	Coverage : 4.02 e-4 %	PAI taken into account through the ESG ratings
Social						
16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Absolute: 0 Relative: 0.00%	n/a	<p>This PAI is defined as the number of countries invested in that are subject to social violations (absolute number and relative number divided by all the countries invested in).</p> <p>Indosuez Wealth Management uses its supplier's data to determine whether or not an investment country is subject to social violations, based on the UN's list of unilateral sanctions.</p> <p>A 'yes' to this criterion implies that the country of investment is subject to social violations.</p>	Coverage : 4.02 e-4 %	PAI taken into account through the exclusion group policy

Indicators applicable to investments in real estate assets						
Adverse sustainability indicator	Metric	Impact[year n]	Im Pac t [yea r n- 1]	Explanation		Actions taken
Fossils fuels						
17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels					
Energy efficiency						
18. Exposure to energy inefficient real estate assets	Share of investments in energy inefficient real estate assets					

PAI 17 and 18 correspond to investments in real estate assets. Indosuez Wealth Management has no direct listed investments in this type of activity and is therefore not concerned by these PAI.

General principles

For the listed instruments, the principal adverse impacts are taken into account through the three structural areas of Indosuez Wealth Management's responsible approach:

The exclusion group policy

Our exclusion group policy allows us to apply a first filter excluding companies belonging to sectors that are not in line with our view of a responsible investor from our investment universe. Companies operating in the tobacco, controversial weapons and coal sectors are thus excluded from all our investment universes. For more information on our exclusion group policy, please refer to paragraph 6 of our ESG policy.

ESG analysis and rating

Our rating system incorporates general criteria applicable to all sectors as well as specific criteria depending on the sector in order to best assess the most material issues of companies. Among the 37 criteria analysed are (non-exhaustive list): greenhouse gas emission, carbon footprint, carbon intensity, respect for human rights, anti-corruption.

Voting

As an engaged investor, Indosuez Wealth Management has put in place a voting group policy for all its entities that integrate ESG dimensions. For more information, please refer to our shareholder voting and engagement policy.

For more information : <https://ca-indosuez.com/pdfPreview/37004>

Engagement policies

Introduction

SFDR (Sustainable Finance Disclosure Regulation) is the European Regulation 2019/2088 adopted on 27 November 2019 which requires sustainability-related disclosures from financial services players. It is part of the European Union Action Plan to finance sustainable growth and a greener Europe. This plan aims to: 1/ redirect capital flows towards sustainable environmental, social and governance investments; 2/ integrate sustainability into risk management; 3/ promote transparency and a long-term vision of economic and financial activities ESG: the acronym ESG (Environmental, Social and Governance) is commonly used by the international financial community to designate these three areas, which form the three pillars of a company's extra-financial analysis. The environmental criterion takes into account factors such as waste management, reduction of greenhouse gas emissions and prevention of environmental risks. The social criterion takes into account, in particular, accident prevention, training, respect for employees' rights, social dialogue, etc. The governance criterion concerns, among other things, the independence of the Board of Directors or diversity within a company. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative material impact on the value of an investment.

Dedicated Governance

Indosuez Wealth Management has chosen to put ESG at the heart of its investment offer and has dedicated resources for this purpose within its various entities. Thus: - The Head of Sustainable Development and the Societal Project is responsible, in coordination with the relevant centres of expertise, for creating a comprehensive offer of socially responsible investments and financing across all asset classes. - The operational managers of each of the entities are responsible for developing and promoting the offer. - The ESG expertise is embodied by the various Divisions concerned. With the support of these various actors, socially responsible investment is monitored by an ESG committee that meets quarterly whose objective is to harmonise approaches, define methodologies, decide on exceptions and assess ESG risks and ensure that management decisions within the Indosuez Wealth Management Group are consistent.

For more information : <https://ca-indosuez.com/pdfPreview/16822>

References to international standards

Our IFA process is based on demanding international standards. All our funds and mandates comply with the following international standards:

- The Paris (1973), Ottawa (1999) and Oslo (2008) conventions on controversial weapons;
- Tobacco-Free Finance Pledge (2020);
- International timetable for phasing out thermal coal, 2030 for Europe and the OECD, and 2040 for the rest of the world.

Historical comparison

Not applicable