

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Did this financial product have a sustainable investment objective?



Yes



No

It made **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 made **sustainable investments with a social objective: \_\_\_%**



**It promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of **64.1%** of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU taxonomy

with an environmental objective and carried out in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

It should be noted that as the portfolio is invested solely in funds, the Agent relies on the declaration contained in the EETs - European ESG Templates - of the asset managers in which it invests. As it is not currently a regulatory requirement, the details of the Mandate's investments "with an environmental objective and carried out in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy" were not available during the period.



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and/or social (E/S) characteristics promoted by the Mandate consisted in investing primarily in UCIs with a strong ESG profile.

The Mandate was able to invest in “internal” UCIs, i.e. UCIs managed by an Indosuez Wealth Management Group entity, and/or in “external” UCIs, which are not managed by an Indosuez Wealth Management Group entity.

1. E/S characteristics promoted for investments in internal UCIs

The internal UCIs invested in by the Mandate were subject to a detailed look-through analysis of the ESG profile of the corresponding issuers, by applying the Indosuez Wealth Management Group’s ESG rating methodology, as described below.

Evaluation of the ESG rating based on a look-through analysis of the Indosuez Wealth Management Group internal UCIs

The Indosuez Wealth Management Group drew on the analysis of an external provider, which has dedicated resources and teams with ESG-related experience. The provider assigned monthly 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 were converted by applying a rating grid specific to the Indosuez Wealth Management Group on a scale of 0 (lowest rating) to 100 (highest rating).

2. E/S characteristics promoted for investments in external UCIs

Eligible external UCIs were selected based in particular on the following criteria:

- 1) Qualification under the SFDR as an Article 8 fund with a minimum commitment to sustainable investments of 10% or as an Article 9 fund
- 2) The quality of the ESG analysis of the issuers carried out by the external UCI management company using investment due diligence (IDD)
- 3) Quality of the SFDR-related pre-contractual appendices and non-financial reports (periodic information or other non-financial reports)
- 4) Consideration of adverse impacts on sustainability.

At 31/12/2024, 99.7% of the Mandate’s assets were allocated to investments aligned with the promoted E/S characteristics corresponding to the policies detailed above.

● ***How did the sustainability indicators perform?***

The percentage of UCIs with strong ESG profiles, classified as Article 8 or Article 9 funds within the mandate of the SFDR: 99.7%

Percentage of sustainable investments: 64.1%

● ***...and compared to previous periods?***

These percentages have not been calculated for the previous period.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What were the objectives of the sustainable investments that the financial product made in particular and how did the sustainable investment contribute to such objectives?***

For internal UCIs subject to a look-through analysis:

The aim of the sustainable investments of the internal UCIs was to invest in target issuers with two objectives:

- 1) to follow best environmental and social practices;
- 2) not to 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, moreover, it is not significantly exposed to transactions that are incompatible with said criteria (e.g. tobacco, weapons, betting, coal, aviation, meat production, fertilisers and pesticide manufacturing, single-use plastic production).

For external UCIs:

As external UCIs were not subject to a look-through analysis, the Mandate’s sustainable investment objectives for the portion invested in these external UCIs could only be monitored on a “best effort” basis, i.e. by demonstrating an improvement in or good prospects for improving their ESG practices and performance over time, taking into account the limit of the approach adopted, bearing in mind that it depended on the methodologies developed by the management companies of these UCIs as to whether such an investment could be qualified as sustainable.

As part of its external UCI selection process, the Agent nevertheless ensured that the sustainable investment objectives of these UCIs did not deviate significantly from those applicable to the internal UCIs that were subject to a look-through analysis.

- ***How did the sustainable investments that the financial product made in particular not cause significant harm to any environmental or social sustainable investment objective?***

For internal UCIs:

The DNSH (Do No Significant Harm) principle is tested based on Principal Adverse Impact indicators (such as the intensity of the issuer’s GHG emissions) which are measured using a combination of indicators (e.g. carbon footprint) and specific thresholds or rules (e.g. the issuer’s carbon footprint cannot be in the lowest decile of the sector). In addition to these criteria specifically established for this test, the Agent took into account certain Principal Adverse Impact indicators in its exclusion policy. 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.

For external UCIs:

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

As part of its process for selecting and monitoring external UCIs, the Agent applied its best efforts to ensure that the managers of the external UCIs carried out a DNSH test on investments considered to be sustainable and that these tests were based on the pre-contractual appendices, the periodic information on the UCIs, and any other relevant non-financial reporting.

*– How were the indicators for adverse impacts on sustainability factors taken into account?*

The internal UCIs took these indicators into account as part of their monitoring processes (e.g., monitoring of the intensity of the issuer’s GHG emissions). This monitoring was based on a 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 Agent took into account certain Principal Adverse Impact indicators in its exclusion policy.

The way in which external UCIs took these indicators into account depended on the due diligence carried out by their management company. Nevertheless, the Agent enquired, on a “best effort” basis, about the policies put in place to take these indicators into account on the basis of, in particular, pre-contractual appendices, periodic information on these UCIs and any other relevant non-financial reporting.

*– Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Detailed description:*

For internal UCIs for which a look-through sustainability analysis has been carried out, the alignment with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights was tested and ensured as part of the sustainable investment identification process. The Agent analysed the companies via its ESG rating and exclusion policy to decide whether or not to include them in its investment universe.

The way in which external UCIs complied with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights depended on the due diligence carried out by their management company. As part of the selection and monitoring of external UCIs, the Agent enquired, on a “best effort” basis, about the policies put in place to take these principles into account during the definition of eligible sustainable investments for the external UCIs, on the basis of, in particular, pre-contractual appendices, periodic information on these UCIs and any other relevant non-financial reporting.

*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.

Investments underlying the remaining portion of this financial product do not take into account EU criteria for environmentally sustainable economic activities.



## How did this financial product consider principal adverse impacts on sustainability factors?

The Mandate has considered the Principal Adverse Impacts on sustainability factors as follows:

Indicators applicable to investments in investee companies		
#	Adverse sustainability indicator	Approach for taking indicators into account
1	GHG emissions (scope 1, 2, 3 and total)	ESG rating and voting
2	Carbon footprint	ESG rating and voting
3	GHG intensity	ESG rating and voting
4	Exposure to companies active in the fossil fuel sector	ESG rating, voting, and exclusion policy
5	Share of non-renewable energy consumption and production	ESG rating
6	Energy consumption intensity per high impact climate sector	ESG rating
7	Activities negatively affecting biodiversity-sensitive areas	ESG rating and monitoring of controversies
8	Emissions to water	ESG rating and monitoring of controversies
9	Hazardous waste and radioactive waste ratio	ESG rating and monitoring of controversies
10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Voting, exclusion policy and monitoring of controversies
11	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Exclusion policy and voting
12	GHG intensity	ESG rating
13	Investee countries subject to social violations	Exclusion policy



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:

Largest investments	Sectors	Sub-sectors	Weight	Geographical region
AMUNDI SP500 ESG UCITS ETF	Multi-sector	Multi-sector	12.15%	International
INDOSUEZ FUNDS IMPACT	Multi-sector	Multi-sector	9.66%	International
JANUS HENDERSON HORGLOBL SUSTAINABL	Multi-sector	Multi-sector	8.92%	North America
DPAM BONDS CLIMATE TRENDS SUST W EU	Multi-sector	Multi-sector	8.15%	International
MIROVA WOMEN LEADERS I	Multi-sector	Multi-sector	6.02%	North America
AB SUSTAINABLE US THEMATIC I EUR	Multi-sector	Multi-sector	5.89%	International
THREADNEEDLE (LUX)-EUROPEAN SOCIAL	Multi-sector	Multi-sector	5.10%	Europe

**Asset allocation** describes the share of investments in specific assets.

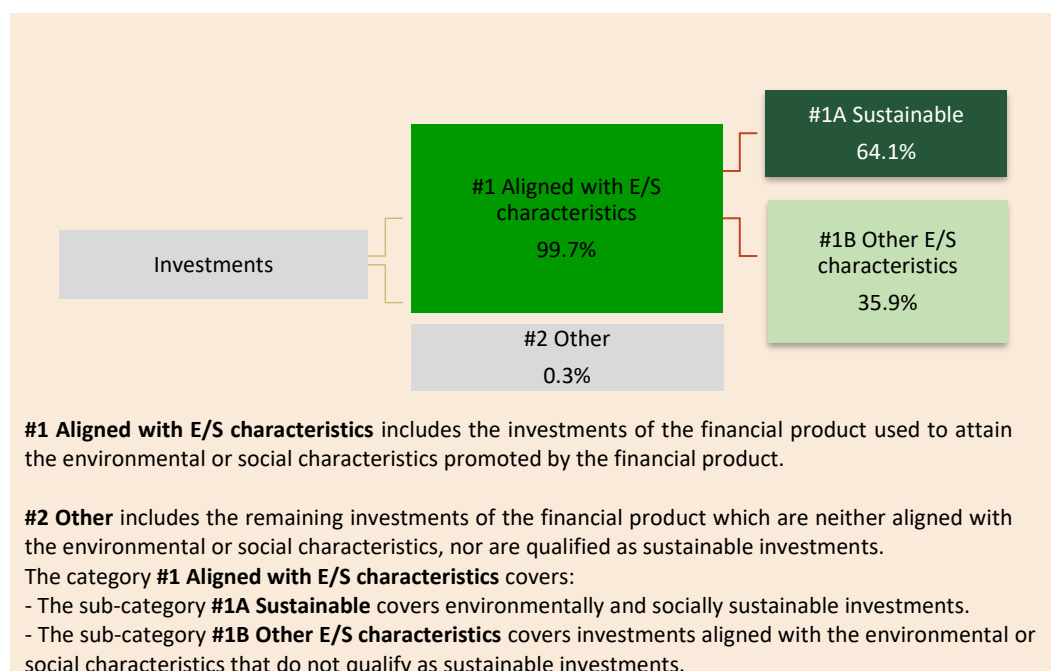
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

99.7% of assets were invested in issuers aligned with the promoted E/S characteristics (#1 Aligned with E/S characteristics); of these investments, those considered sustainable investments accounted for 64.1%. The remaining assets consisted of cash, cash equivalents as well as unscreened investments and were not aligned with the E/S characteristics promoted (#2 Other).



● ***In which economic sectors were the investments made?***

As the portfolio is invested solely in funds, the look-through by sector was not carried out during this financial year. However, due diligence is carried out on the asset managers of the funds in which we invest in order to ensure that these funds comply with our extra-financial exclusions in a best effort manner.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Agent has not undertaken to invest the Mandate in sustainable investments within the meaning of the EU taxonomy. The alignment with the EU taxonomy of sustainable investments with an environmental objective of this Mandate has therefore not been calculated.

● ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?***

No

● ***What was the share of investments made in transitional and enabling activities?***

The Agent has not undertaken to invest the Mandate in transitional and enabling activities. This proportion has therefore not been calculated.

● ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

This percentage has not been calculated for the previous period.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

This proportion was 64.1% of the Mandate's assets.

 are sustainable investments with an environmental objective that **do not take into account the** criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



### **What was the share of socially sustainable investments?**

The Agent has not undertaken to invest the Mandate in socially sustainable investments. This proportion has therefore not been calculated.



### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The “Other” category consisted 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 were no minimum environmental or social safeguards for such investments.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

Sustainability indicators were made available in the portfolio management system, allowing the managers to instantly assess the impact of their investment decisions on the portfolio. These ratings were incorporated into the Amundi manager’s control framework, with responsibilities split between the first level of control carried out by the investment teams themselves and the second level of control performed by the Risk Management teams, which continuously monitor compliance with the environmental or social characteristics promoted by the product.