Sustainability Guide

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LINK BETWEEN FINANCIAL INVESTMENTS AND THE ENVIRONMENT AND SOCIETY

Climate change and environmental degradation are defining global challenges of our time. Countries across the world are working to limit climate change, reverse biodiversity loss and broader degradation of the environment and to leave nobody behind in the process. Sustainable finance means taking sustainability considerations into account when making investment decisions.

A sustainable finance approach leads to sustainable economic activities and projects. It can support economic growth while reducing pressures on the environment and considering social and governance aspects. Sustainable finance therefore has a key role to play in delivering the climate, environmental and social policy objectives of governments around the world.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) ASPECTS

Sustainability considerations of investment decisions can be linked to different environmental, social, and governance aspects.

Environmental aspects might include climate change mitigation and adaptation, preservation of biodiversity, pollution prevention and the circular economy etc.

Social aspects might include issues of inequality, inclusiveness, labor relations, human rights issues etc.

Governance aspects might include topics such as diversity of structures of corporate governance, fight against corruption and bribery, tax transparency etc.

DIFFERENT TYPES OF SUSTAINABLE FINANCIAL INSTRUMENTS AVAILBALE ON THE MARKET

You can decide to invest your money considering ESG aspects of financial instruments. It is important to note that on the market you will find several types of financial products with various degrees of ambitions in terms of sustainability.

Some financial instruments merely consider ESG aspects, for example by calculating and disclosing negative externalities of investments on the environment or society, while other financial products aim to make a real contribution to the improvement of society.

Moreover, certain products will take account at the same time of environmental, social and governance considerations, while others will focus on only one or two of these aspects.

You should also know that in case our range of product offer does not meet your expectations in term of sustainability characteristics, you still have the possibility to consult other investment firms or publicly available platforms to know more about other sustainable products available on the market.

THE DIFFERENT CATEGORIES OF SUSTAINABILITY PREFERENCES

Under the current regulatory framework, a client's sustainability preferences are understood as a client's preferences for three categories of financial instrument.

Category A Financial instruments which invest in economic activities providing a substantial contribution to one or more of the following environmental objectives:

• climate change mitigation;

• climate change adaptation;

• sustainable use and protection of water and marine resources;

• transition to a circular economy;

• pollution prevention and control;

• protection and restoration of biodiversity and ecosystems.

Category B Financial instruments which pursue sustainable investments more broadly. This is a wider category of financial instruments because it includes economic activities that contribute to other environmental objectives and/or to social objectives.

Category C Financial instruments that consider negative externalities of investments on the environment or society in terms of principal adverse impacts on sustainability. Principal adverse impacts on sustainability are impacts of investment decisions and advice that result in negative effects on environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. Contrary to category A and B, here the financial instrument does not aim at any positive contribution but merely consider negative impacts of the investment on sustainability.

You may also wish to express wider sustainability motivations such as general sustainability goals or more precise values and priorities.

ARTICULATION BETWEEN SUSTAINABILITY PREFERENCES AND OTHER INVESTMENT OBJECTIVES

We will first consider your traditional investment objective before assessing your preferences in term of sustainability. Thus, you can feel free to express any sustainability preferences you may have (or other wider sustainability motivations) since it will only be considered as a top up to the other investment objectives you already expressed. i.e., it cannot affect the financial investment objectives you expressed.

However, please be aware that we might not be in a position to offer you products or services in accordance with your sustainability preferences, unless you specifically instruct us otherwise in each particular case.