Assurance Consulting Intermédiaires S.A

PUBLICATION OF SUSTAINABILITY INFORMATION IN THE FINANCIAL SERVICES SECTOR

***''Sustainable Finance Disclosure Regulation''* (SFDR)**

The rules applicable to brokers and insurance brokerage companies in the Grand

Duchy of Luxembourg are registered within the framework of :

• EU Regulation 2019/2088 on the Sustainable Finance Disclosure Regulation (SFDR), which has for the most part been **applicable** since **March 1, 2021**; and

• EU Delegated Regulation 2021/1257 with regard to integrating sustainability information into the product governance requirements applicable to insurance undertakings and distributors of insurance products (the 'Delegated Regulation on **the Sustainability of Insurance Products'), the rules** of which will apply from August 2, 2022.

Based on these two standards, our sustainability risk integration policy deploys as follows :

I- Policy on sustainability risks

In accordance with the Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector, as amended (the "Sustainable Finance Disclosure Regulation" or "SFDR"), *Assurance Consulting Intermédiaires S.A* endeavours to take into account major sustainability risks when advising on insurance - based investment products [and/or pension products exposed to market fluctuations], with the help of the relevant insurance product manufacturers and external advisors (as applicable).

According to the SFDR, sustainability risk means an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

Such risks are assessed for each insurance product on a case-by-case basis and can take various forms, such as climate change regional risks (*e.g.* more regular fires or floods), public boycott campaigns, local risks of corruption or fraud.

Sustainability risk analyses are integrated by *Assurance Consulting Intermédiaires S.A* the assessment process carried out prior to each insurance advice based on available information.

II - No Consideration of Sustainability Adverse Impacts

According to the SFDR, sustainability factors are environmental, social and employment matters, respect for human rights, anti - corruption and anti - bribery matters.

As the legal framework regarding sustainability adverse impacts is currently incomplete and the methodologies for considerations of adverse impacts on sustainability factors are in full development and have not yet reached maturity within the sustainable finance industry, *Assurance Consulting Intermédiaires S.A* does not currently consider principal adverse impacts of investment decisions on sustainability factors in its insurance advice.

We expect this will be a work in progress until the sustainable finance industry is more evolved in the methodology of measuring and reporting sustainability adverse impact in a way that is useful for investors and our firm will review this policy as the relevant legal framework and technical methodologies are developed further. Any material amendment to *Assurance Consulting Intermédiaires S.A* approach will be updated on its website in accordance with the SFDR.

III- Adverse Sustainability Impacts Statement

According to the SFDR, sustainability factors are environmental, social and employment matters, respect for human rights, anti ‑ corruption and anti ‑ bribery matters.

With the help of the relevant insurance product manufacturers and external advisors (as applicable), *Assurance Consulting Intermédiaires SA* endeavours to take into account principal adverse impacts on sustainability factors in its insurance advice.

When available and depending on the nature of the concerned insurance product, *Assurance Consulting Intermédiaires SA* will provide its clients relevant with relevant information published by each relevant financial market participant making available insurance ‑ based investment products or pension products exposed to market fluctuations.

In this respect, *Assurance Consulting Intermédiaires S.A* with the support of the relevant insurance product manufacturers and external advisors (as applicable), endeavours to ranks and selects financial products which promote the development of low carbon and energy efficient technologies, ensure the efficient use of resources and support the protection of biodiversity on concerned sites. In addition, specific attention will be paid to relevant social and employment matters and no investment recommendation will be made where investee companies do not follow good governance practices with regard to local and international applicable rules.

IV- Reporting template on the integration of sustainability risks into the remuneration policy (Article 5 SFDR)

The remuneration policy applicable in our firm is designed so as to promote sound and effective risk management and does not encourage risk-taking in relation to sustainability risks. No staff member’s remuneration is linked to the economic performance of the recommended insurance products.

V- Reporting template on the integration of sustainability risks in insurance advice and assessment of the likely impact of sustainability risks on the returns of insurance products for pre-contractual documentation (Article 6 SFDR)

A- Integration of sustainability risks in insurance advice

In accordance with the Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector, as amended (the "Sustainable Finance Disclosure Regulation" or "SFDR"), *Assurance Consulting Intermédiaires S.A* endeavours to take into account major sustainability risks when advising on insurance-based investment products and/or pension products exposed to market fluctuations with the help of the relevant Product(s) manufacturer(s) and external advisors (as applicable).

According to the SFDR, sustainability risk means an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

Such risks are assessed for each Product on a case-by-case basis and can take various forms, such as climate change regional risks (e.g. more regular fires or floods), public boycott campaigns, local risks of corruption or fraud.

Sustainability risk analyses are integrated by *Assurance Consulting Intermédiaires S.A* into the assessment process carried out prior to each insurance advice based on available information.

Indeed, the collection of relevant data is one of the biggest challenges when it comes to sustainability related information. *Assurance Consulting Intermédiaires S.A* pre-contractual disclosures and sustainability risks assessment methodology may be subject to change due to ongoing improvements in the data obtained from relevant financial market participants and external service providers (as applicable).

B- Assessment of the likely impacts of sustainability risks on the returns of the recommended products

Assessment of sustainability risks is complex and sometimes requires subjective judgements, which may be based on data which is difficult to obtain or incomplete, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that *Assurance Consulting Intermédiaires S.A* will correctly assess the impact of sustainability risks on the recommended Product.

To the extent that a sustainability risk occurs in a manner that is not anticipated by *Assurance Consulting Intermédiaires S.A*, there may be a sudden material negative impact on the value of an investment, and hence the returns of the Product. Such negative impact may depending on the circumstances result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the returns of the Product.

A sustainability risk may arise and impact a specific investment or may have a broader impact on an economic sector, geographical regions and/or jurisdictions.

In addition to the above, a description of certain other sustainability risks identified by *Assurance Consulting Intermédiaires S.A* as being potentially relevant to the Product and hence its returns, is set out below. This description is not exhaustive and may be affected by the evolution of relevant ESG factors over time

Environmental

Environmental risks are associated with environmental events or conditions and their effect on the value of the Product. They may include in particular:
Climate change: one of the consequences of climate change is an increase in the risk of natural disasters both in terms of intensity and frequency. The Intergovernmental Panel on Climate Change ("IPCC") if a trajectory of temperature increases below 2°C is not maintained warns that such disasters (heat waves, floods, drought, storms) are likely to occur more often and with greater intensity. The Product’s underlying investments and assets are likely to be affected by an increase in natural disasters.

Pollution and waste: site owners, developers, and contractors may face risks and liabilities from exposure to soil or groundwater contamination. The Product’s underlying investments and assets are likely to be affected by pollution and waste.

Social

Social risks are associated with community opposition as well as health and safety of users and workers. Such risks may arise in respect of the Product’s underlying investments and may include in particular:

Community opposition: community opposition to new infrastructure or project developments or socalled "not in my backyard" reactions. The Product’s underlying investments and assets are likely to be affected by community opposition.

Health and safety of users and workers: non-compliance with health and safety standards potentially exposes infrastructure users to significant risks. The Product’s underlying investments and assets are likely to be affected by non-compliance with health.

Governance

Governance risks are associated with the quality, effectiveness and process in place for the oversight and day-to-day management of the Product’s underlying investments and assets. Such risks may in particular include :

Inadequate external or internal audit: ineffective or inadequate internal and external audit functions may increase the likelihood that fraud and other issues within project companies are not detected and/or that material information used as part of an asset’s valuation are missed or improperly carried out. The Product’s underlying investments and assets are likely to be affected by inadequate external or internal audit.

Lack of scrutiny of executives’ remuneration: failure to align levels of executive pay with sustainability factors and objectives may result in executives failing to act in the long-term interest of relevant project companies and protect and create value for the various stakeholders. The Product’s underlying investments and assets may be affected by this type of factor

BEFORE DETERMINING TO INVEST IN THE PRODUCT, THE CLIENT SHOULD EVALUATE WHETHER IT ACCEPTS THE AFORESAID RISKS WHICH IT WILL ASSUME BY SUBSCRIBING TO THE PRODUCT. THE ABOVE LIST OF SUSTAIBANLE RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED BY THE PRODUCT.

THE CLIENT SHOULD READ THE ENTIRE AGREEMENT AND FULLY EVALUATE ALL OTHER INFORMATION THAT IT DEEMS TO BE NECESSARY BEFORE DETERMINING TO SUBSCRIBE TO THE PRODUCT.

Update: June 2021