Statement on principal adverse impacts (PAI) of investment advice on sustainability factors

Name	Legal Entity Identifier
Vontobel Asset Management S.A.	529900LO1T9ADP03SQ41

Purpose

The purpose of this document is to provide information on the regulatory deliverables as required by Regulation (EU) 2019/2088 ("SFDR") and specified by Commission Delegated Regulation (EU) 2022/1288 ("SFDR Regulatory Technical Standards" or "SFDR RTS") Article 11, on how Vontobel Asset Management S.A. ("VAMSA") considers principal adverse impacts on sustainability factors (PAI) when providing investment advice to investors and clients.

Consideration of principal adverse impacts on sustainability factors

When providing investment advice to clients who are subject to European Union sustainable finance regulations and have expressed a preference to consider PAI, VAMSA considers the below indicated PAI in that advice.

How VAMSA uses the information published by financial market participants

SFDR requires financial markets participants to publish information on their websites on how they consider PAI of investment decisions. Vontobel uses this information by considering the following indicators of Table 1 of Annex I of the SFDR RTS:

INDICATORS IN SCOPE FROM ANNEX I OF THE SFDR RTS
10: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)

Whether VAMSA ranks and selects financial products based on these indicators

VAMSA uses these indicators in the investment advice to select financial products. However, VAMSA does not rank financial products using these indicators or any additional indicators of Table 1 of Annex I of the SFDR RTS.

For clients interested in financial instruments considering PAI according to their MiFID II sustainability preferences, further principal adverse impacts may be considered in advising those clients in line with their sustainability preferences.

Whether VAMSA applies any criteria or thresholds on these indicators that are used to select, or advise on, financial products

Companies with any tie to controversial weapons, or with a very severe controversy are highlighted to the client. VAMSA considers the following weapon types as controversial weapons:

- anti-personnel mines (Ottawa Treaty, 1997)
- cluster munitions (Convention on Cluster Munitions, 2008)
- chemical weapons (Chemical Weapons Convention, 1997)
- biological weapons (Biological Weapons Convention, 1975)
- non-detectable fragments (Protocol I of the Convention on Certain Conventional Weapons, 1980)
- incendiary weapons (Protocol III of the Convention on Certain Conventional Weapons, 1980), and
- blinding laser weapons (Protocol IV of the Convention on Certain Conventional Weapons, 1980)

A very severe controversy is, for example, a violation of the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, or the UN Global Compact. For this purpose, VAMSA uses data and assessments provided by selected ESG data providers (e.g., MSCI ESG) and also does its own assessments. VAMSA does not apply any thresholds for these indicators.

For information on our sustainability efforts, achievements, and goals, please see our Sustainability Report at www.vontobel.com/sustainability-report.

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