Understand the EU Sustainable Finance plan and its impact on Asset Managers

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efa supports its clients in their efforts to implement investment policies that take into account sustainable risks and opportunities.

The objective of this document is to present the main actions of the European sustainable finance plan to promote the financing of sustainable economic activities and projects.

It focuses on the implementation of the European taxonomy and the SFDR regulation as well as on the implications of these regulations for asset managers.

efa contributes to the sustainable virtuous circle by promoting and acting at its level: we want to ensure that we are a “green” part of our clients’ value chain.

We want **efa** to be a leader in providing and creating solutions, which contribute to fundamental improvements in the quality of life. That’s why we integrate sustainability principles into our business processes and company’s life.

These actions are assessed and recognised by external organisations.

- **efa** is a signatory of the **United Nations Global Compact Initiative.**
- For the fourth year in a row, **efa**’s engagement has been awarded **EcoVadis Gold** Recognition level in 2021. EcoVadis’ methodology is based on international CSR standards, including the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000.
- Finally **efa** became a **PRI signatory**. It was a natural step after joining the UN Global Compact, in which signatories commit to aligning their operations and strategies with ten principles in the areas of human rights, labour, environment and anti-corruption.

We hope that this document will give you a good picture of the EU sustainable finance plan. efa supports you in implementing the actions that will impact you.

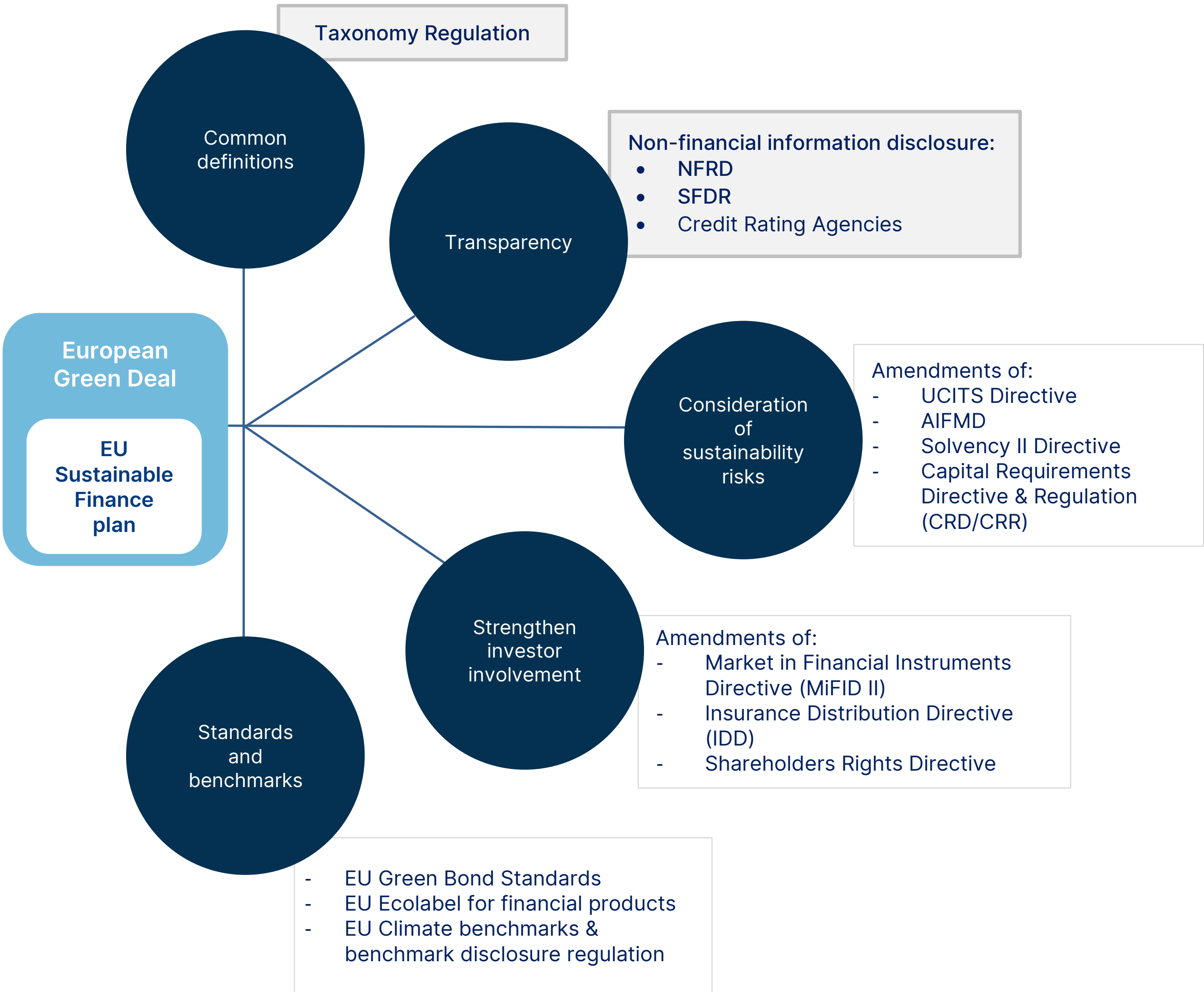
THE EU SUSTAINABLE FINANCE PLAN

In 2019, the European Commission presented the European Green Deal, a growth strategy aiming to make Europe the first climate neutral continent by 2050.

The financial sector has a key role to play in reaching those goals to:

- re-orient investments towards more sustainable technologies and businesses,
- finance growth in a sustainable manner over the long-term,
- and contribute to the creation of a low-carbon, climate resilient and circular economy.

With the introduction of the EU Sustainable Finance Plan, the EU has launched an ambitious and far-reaching plan with a considerable impact on the financial sector. Based on common definitions (taxonomy) of what sustainable activities are, the plan aims to anchor beliefs and actions both in the financial sector and among investors.



INVESTEE COMPANIES

DISCLOSURES

Since March 2021, EU-regulated funds are required, under the Sustainable Finance Disclosure Regulation (SFDR), to disclose how they integrate sustainability risks i.e. positive and adverse ESG impacts in investment decision-making. Asset managers will need as well to gather and disclose granular information on a wide range of ESG impacts. As a result and unless they already publish such data, investee companies / issuers may receive increasing ESG data requests from asset managers (and data vendors).

Asset managers are heavily dependent on the data they receive from investee companies and its quality.

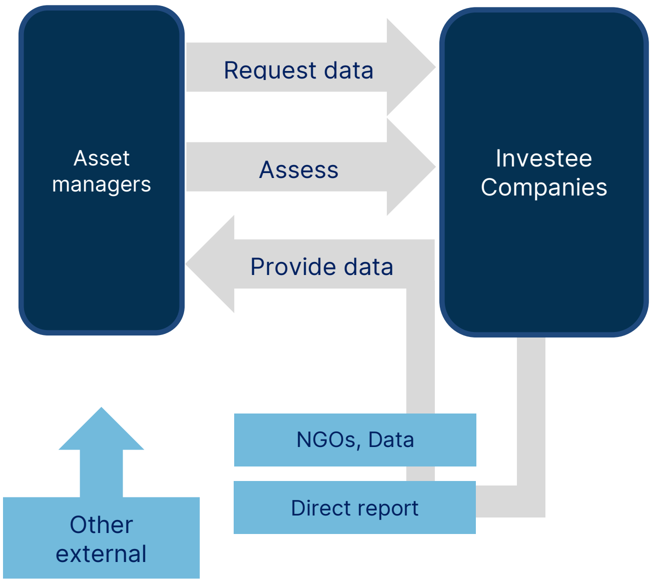
1. *A global effort towards non-financial disclosures*

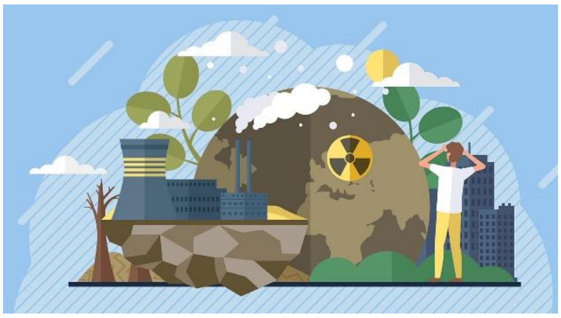
Initiatives to promote and standardise non-financial reporting, both in Europe and globally, have been underway for several years.

In Europe, the **Non-Financial Reporting Directive** is the reference and integrates recommendations from the **Task Force on Climate-related Financial Disclosures.**

Around the world, organisations are working to set standards and integrate non-financial aspects into periodic company reports.

These initiatives are crucial for the financial industry as the disclosures for their financial products will depend on the information made publicly available by companies.





2. *What is the Task Force on Climate-related Financial Disclosures (TCFD)*

The Task Force on Climate-related Financial Disclosures (TCFD) is an advisory body set up by the G20 to address concerns around insufficient disclosure of climate-related risks and opportunities for businesses.

The Task Force is made up of 32 members drawn from a range of industries and countries.

The Task Force published its final recommendations in 2017, which are intended to **apply to all companies with listed debt or equity in the G20, and additionally to asset managers and asset owners (recognising that these organisations are typically unlisted).**

Key Features of TCFD:

- Adoptable by all organisations,
- Included in financial filings,
- Designed to solicit decision-useful, forward-looking information on financial impacts,

- Focused strongly on risks and opportunities related to transition to lower-carbon economy.

3. From the Non-Financial Reporting Directive (NFRD) to the Corporate Sustainability Reporting Directive (CSRD)

The principal aim of the EU Non-Financial Reporting Directive (NFRD) is to enable the investment community, consumers, and other stakeholders to evaluate the non-financial performance of large companies and to encourage those companies to develop a more responsible approach to business.

Under the NFRD (Directive 2014/95/EU), companies are required to publish reports on the policies they implement in relation to:

- environmental protection,
- social responsibility and treatment of employees,
- respect for human rights,
- anti-corruption and bribery,
- diversity on company boards (in terms of age, gender, educational and professional background).

Reporting under the Directive first began in 2018. The Directive is complemented by two sets of non-binding guidelines: one aimed at helping companies report relevant, useful, and comparable information, the other aimed at helping companies report climate-related information and integrating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In 2019, the Commission announced its intention to review the NFRD.

In April 2021, the Commission presented its proposal for a **Corporate Sustainability Reporting Directive (CSRD)**, which aims **to revise and strengthen the existing rules introduced by the NFRD**, and target to bring sustainability reporting on a par with financial reporting. The proposal:

- extends the scope to all large companies and all companies listed on regulated markets (except listed micro-enterprises),
- requires the audit of reported information,
- introduces more detailed reporting requirements, and a requirement to report according to mandatory EU sustainability reporting standards,
- requires companies to digitally ‘tag’ the reported information, so it is machine readable and feeds into the European single access point (ESAP) database envisaged in the Capital Markets Union action plan.

The **Corporate Sustainability Reporting** will thus integrate the EU Taxonomy and take into account elements of existing ESG reporting frameworks (such as SASB, GRI, IIRF, TCFD, etc).

Companies will have to report on how sustainability issues affects their business and the impact of their activities on people and the environment (double materiality perspective).

4. Timeline for CSRD

The current timetable expects that companies would start applying the CSRD standards for the first time to reports published in 2024, covering financial year 2023.

5. A growing scope of reporting

The current NFRD regime is applicable to Public Interest Entities (“PIEs”) which include large listed companies and large banks and insurance companies, listed or not, provided that they have more than 500 employees.

When transposing NFRD, some countries have chosen stricter standards. Sweden, for example, applies its rules to all types of companies with over 250 employees, while Luxemburg lowered the minimum employee threshold to 250 employees for Public Interest Entities (PIE).

The **Corporate Sustainability Reporting Directive** proposal extends the EU's sustainability reporting requirements to all large companies and all listed companies. This means that nearly 50,000 companies in the EU would be asked to follow detailed EU sustainability reporting standards, an increase from the 11,000 companies that are subject to the existing requirements.

The Commission also proposes the development of proportionate standards that non-listed SMEs can use voluntarily.

6. Data

Asset managers, ESG-oriented (or activist) NGOs, Data vendors… are already collecting extra-financial data from companies and are adapting their database with standards in place.

The EU Commission on its side has launched a proposal for creating a **European Single Access Point (ESAP) for financial and non-financial information publicly disclosed by companies.** The deployment of this platform is expected in 2024.

7. Integration of climate disclosures in financial accounting / reporting standards

Currently, there are gaps in climate, environmental and sustainability reporting generally. These gaps derive from a lack of standardised methodologies for preparing and presenting relevant information, resulting in multiple interpretations of terms and variation in the quality and quantity of information produced by companies.

Financial reporting, accounting standards and guidance provide an established, recognised and widely used infrastructure for preparing financial statements and management commentary. As such, each term used in financial statements can be interpreted according to the definitions produced by well-established institutions like the International Accounting Standards Board (IASB) and national accounting standard setters.

At European level, the so-called **"Accounting Directive"** (2013/34/EU) was amended by the Taxonomy regulation (2020/852/EU) asking companies that are required to publish non-financial information to include information on how and to what extent their activities are associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

For this purpose, **non-financial companies subject to NFRD must disclose three key performance indicators ("KPIs"):**

- turnover,
- capital expenditure ("CapEx"),
- and operating expenditure ("OpEx"), related to environmentally sustainable activities.

The Taxonomy Regulation, however, does not specify any KPIs for financial companies (including asset managers) which are subject to the disclosure requirements for non-financial information in the Accounting Directive.

The **Corporate Sustainability Reporting Directive** targets to bring sustainability reporting on a par with financial reporting.

8. Examples of existing disclosure frameworks and standards

Numerous organisations are working all over the world to set up accounting standards in relation to sustainability information, some of them dedicated to certain asset classes.

Among them the most notable are:

GRI: Sustainability public reporting on economic, environmental, and/or social impacts, and hence contributions – positive or negative – towards the goal of sustainable development.

CDP: CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

CDSB (Climate Disclosure Standards Board): Framework for Reporting Environmental Information & Natural Capital. The CDSB work aims to harness the knowledge and strength of existing financial accounting standards in mainstream reports –focused on IFRS- to improve the way climate change, environmental and natural capital information is reported.

SASB: aims to facilitate the disclosure of sustainability information that is financially material, decision-useful, and cost effective.

IIRC (International Integrated Reporting Framework): aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital.

GRESB: GRESB mission is to assess and benchmark the Environmental, Social and Governance (ESG) and other related performance of real assets, providing standardised and validated data to the capital markets.

SUSTAINABILITY-RELATED DISCLOSURES IN THE FINANCIAL SECTOR (SFDR)

1. *Main regulatory references*

Disclosure regulation (SFDR) – Level 1: Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended by Regulation (EU) 2020/852 on the establishment of a framework (Taxonomy) to facilitate sustainable investment (Link)

Disclosure regulation (SFDR) – Level 2 (draft) - final report setting out the proposed Regulatory Technical Standards (RTS) on content, methodologies and presentation of disclosures under the Sustainable Finance Disclosure Regulation (SFDR): (Link)

The European Commission is expected to endorse the RTS in 2021.

While financial market participants and financial advisers are required to apply most of the provisions on sustainability-related disclosures laid down in the SFDR from 10 March 2021, the application of the RTS will be delayed to a later date. The current expected **application date of the RTS is 1 July 2022.**

In July 2021, the EU Commission published its new Strategy for Financing the Transition to a Sustainable Economy, which seeks to further implement its 2018 action plan for sustainable finance.

Part of that plan is the proposal for minimum sustainability criteria, or a combination of criteria, for financial products in scope of Article 8 SFDR in order to guarantee minimum sustainability performance of such products as well as the project to have financial markets participants and financial advisers to systematically consider the positive and negative sustainability impacts of their investment decisions and advices. It would in essence impose the double materiality requirement on them which is not currently foreseen by SFDR.

Taxonomy – Level 1: Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Link)

Taxonomy - Level 2 (draft) on technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (Link)

2. Definition of sustainable economic activities and sustainable investments

A sustainable economic activity is defined in Art. 3 of the Regulation (EU) 2020/852 (European taxonomy) on the establishment of a framework to facilitate sustainable investment.

An investment is environmentally sustainable, an economic activity shall qualify as environmentally sustainable where that economic activity:

(a) contributes substantially to one or more of the environmental objectives :

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.

(b) does not significantly harm any of the environmental objectives;
(c) is carried out in compliance with minimum safeguards; and
(d) complies with technical screening criteria from the Taxonomy.

The Art. 2 (17) of Regulation (EU) 2019/2088 (SFDR) defines what a **sustainable investment** is:

"An investment in an economic activity that **contributes to an environmental objective**, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that **contributes to a social objective**, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labor relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow **good governance practices**, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance."

3. Scope of SFDR

SFDR applies basically to all financial participants:

The following entities are in scope,

- UCITS management companies;
- AIFMs;
- insurance undertakings;
- IORPs;
- managers of qualifying venture capital funds;
- managers of qualifying social entrepreneurship funds;
- manufacturers of pension products;
- investment firms which provide portfolio management or provide investment advice;
- credit institutions which provide portfolio management or provide investment advice;
- insurance intermediaries and insurance undertakings which provide insurance advice;
- AIFMs of ELTIFs;
- PEPP providers.

as well as the following **financial products**:

- a UCITS;
- an alternative investment fund (AIF);
- an IBIP;
- a pension product;
- a pension scheme;
- a PEPP; or
- a portfolio managed as defined in point (8) of Article 4(1) of Directive 2014/65/EU on portfolio management.

4. Financial product classification under SFDR

Under SFDR, products are very often mentioned in reference to articles of the regulation. The level of disclosures is related to that classification.

- “Article 6” products: Transparency on the integration of sustainability risks only (applicable to all types of products). Refers in short to funds that are neither Art.8 nor Art.9.
- “Article 8” products: promote, among others, environmental or social characteristics.
- “Article 9” products: have sustainable investment as objective and an index has been designated as a reference benchmark.

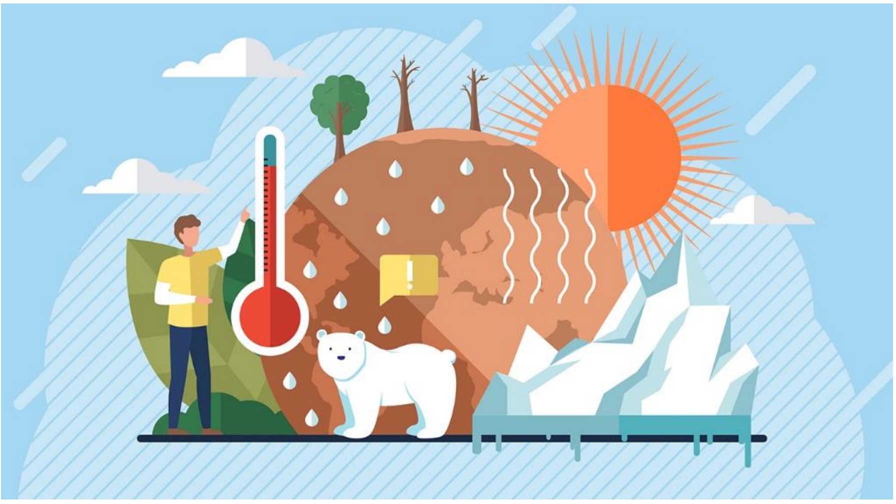
5. Goals of SFDR

SFDR is all about transparency on how financial actors and products integrate sustainability risks and consider sustainable risks they are themselves causing while investing (double materiality).

The regulation does not provide any minimum investment thresholds in sustainable activities. SFDR requests financial participants to disclose at entity as well as at product level.

Attention point: asset managers distributing funds in France shall also refer to the AMF doctrine requesting the publication of more information than indicated in SFDR, setting up thresholds and introducing three levels of communication on non-financial information depending on the “engaging approach” of the financial product (Link). This doctrine may impact how products are named, the KIID, Marketing materials as well as the Prospectus.

SFDR introduces a **financial participant size threshold** for its mandatory application: it applies to financial market participants which are parent undertakings of a large group exceeding on the balance sheet date of the group, on a consolidated basis, the criterion of the average number of 500 employees during the financial year regardless whether they are established inside or outside the Union.



6. *Overview of disclosure obligations*

(below references are related to the articles of the Regulation (EU) 2019/2088)

Entity level

Art. 3: Policies on the integration of sustainability risks in their investment decision-making process
⇨ **10/03/2021**

Art. 4 (COMPLY OR EXPLAIN): Statement on due diligence policies with respect to principal adverse impacts (PAI) of investment decisions on sustainability factors. Where PAI are not considered, clear reasons for why it is so, including, where relevant, information as to whether and when PAI will be considered
⇨ **10/03/2021 or 30/06/2021 (>500 employees)**

Art. 5 : Include in remuneration policies information on how those policies are consistent with the integration of sustainability risks ⇨ **10/03/2021**

Product level (all)

Art. 6: How sustainability risks are integrated into their investment decisions
+ results of the assessment of the impacts of sustainability risks on product returns
⇨ **10/03/2021**

Art. 7 (COMPLY OR EXPLAIN): Explanation of whether, and, if so, how a financial product considers principal adverse impacts on sustainability factors
+ how they are taken into account (i.e. how they will be measured)
⇨ **10/03/2021 (explain) or 30/12/2022 (Comply)**

Product level (Art. 8 & Art. 9)

Art. 8 & 9 : Description environmental and/or social characteristics promoted, investment strategy , planned asset allocation, PAI taken into account, reference benchmark
⇨ **10/03/2021**

Art. 10 : Methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the sustainable investments selected for the product
⇨ **10/03/2021**

Art. 11 : Extent to which environmental, social or sustainable objectives are met by means of appropriate indicators (incl. references to a possible benchmark)
⇨ **31/12/2021**

Website

Pre-contractual documents

Periodic reports

For more details on the deadlines, please also see the ESAs supervisory statement published on 25/02/2021: (Link)

7. Alignment with EU Taxonomy

SFDR and the EU Taxonomy regulation are closely intertwined. Asset managers -i.e. ManCos, AIFMs and investment companies- shall have to disclose in a granular way how their investments are aligned with the EU Taxonomy.

Reporting templates are provided in the Commission Delegated Regulation supplementing Regulation (EU) 2020/852 from 06/07/2021 (Link).

However **from 1 January 2022 until 31 December 2023** the reporting requirements that would have initially taken effect in January 2022 have been resduced to only reporting:

- the percentage of eligible activities, i.e. revenues derived from or CapEx invested in activities that are included in the Taxonomy, but without checking if they meet the technical criteria defined by the Taxonomy,
- as well as the proportion of exposures to government and supranational issuers, derivatives and undertakings that are not obliged to publish non-financial information (broadly SMEs and non-listed companies).

The reporting on the EU Taxonomy and associated KPIs shall only start on 1 January 2024.

Asset managers that offer art. 8 or art. 9 funds will need to explain how, and to what extent, they use the taxonomy in determining the sustainability of their investments.

These disclosures shall be done by asset managers:

- On their website,
- In prospectuses (what is the intended asset allocation),
- And in periodic reports (what was the effective asset allocation).

The Taxonomy shall be considered at all stages of the investment process, from the security selection process to the risk management process and reporting. Some interesting examples of how asset managers have taken the Taxonomy in consideration and challenges they faced might be found under:

https://www.unpri.org/policy/eu-sustainable-finance-taxonomy/eu-taxonomy-alignment-case-studies

Taking the Taxonomy into consideration is not a simple quantitative process especially due to the current lack of company data and the complexity of some technical criteria.

8. Luxembourg reduced "taxe d'abonnement" & EU Taxonomy

To develop sustainable investments, Luxembourg UCIs or compartments of UCIs which invest in economic activities qualifying as environmentally sustainable as defined by Article 3 of Regulation (EU) 2020/852 (EU Taxonomy) will be able to benefit as from 2021 from a reduction of the "taxe d'abonnement" currently levied at 0.05% on the net asset value.

The new rates vary from 0.01% to 0.04% depending on the proportion of sustainable investments made by the UCI/ compartment (from 5% to 50% of the net asset value).

The amount corresponding to the proportion of sustainable investments realised by the fund should be published in the annual report and should be certified by a statutory auditor ("réviseur d'entreprise agréé").

The practical details on the implementation of the reduced "taxe d'abonnement" are still to be communicated especially in light of the postponement of the implementation of the Taxonomy disclosures.

In summary, the new "taxe d'abonnement" rates are as following from 01/01/2021:

Percentage of net assets invested in sustainable economic activities indicated in the statement certified by the auditor	Applicable rate **for the proportion of net assets** as indicated on the statement certified by the auditor
At least 5%	0.04%
At least 20%	0.03%
At least 35%	0.02%
At least 50%	0.01%

9. Key points of SFDR implementation

Asset managers shall not underestimate the impact of integrating sustainability into their investment processes.

Beyond the necessary ESG knowledge to be added at several levels within the company and the definition or review of investment strategies and methodologies, one of the key challenge is data.

Data on sectors and industries, data on issuers, possibly benchmark data… numerous additional data points need to be considered, historised and shared within the company to tackle issues such as their cost or discrepancies in reports due to different sources used.

Who is or will collect company data?

Most of the **data vendors** are collecting extra-financial data, some of them giving an indication for an issuer if a certain percentage of its activity is eligible to the taxonomy and some of them are calculating ESG ratings. A small number of data vendors are currently working on proposing services to give the calculation of the alignment percentage to the EU Taxonomy.

These external data need very often to be completed through a **direct engagement** with issuers to request missing data points, confirm the calculation methodology used: extra-financial aspects shall be included in the due diligence process performed on companies.

In this context, **internal research** remains key and sectoral data might in some cases provide estimates for missing data.

Data management

In all cases, a strict data management shall be implemented if not already in place to ensure that the data coming from various flows, sources are accurate, comparable and up-to-date.

Finally it is of the utmost importance to keep an history of extra-financial data: SFDR Level 2 is requiring the disclosure of some indicators for at least 5 years.

In this context, some providers are offering integrated ESG solutions enabling asset managers to focus on the investment management rather than on data collection and management.

Data and companies' disclosures

Years 2023 – 2024 should be the turning-point in the EU for ESG data i.e. when companies, as part of the implementation of the Corporate Sustainability Reporting Directive (CSRD), will start disclosing in a structured manner and based on common definitions.

2024 should also see the entry into service of the **European Single Access Point (ESAP)** for financial and non-financial information publicly disclosed by companies.

Reporting

Investment managers shall keep in mind the reporting requirements at their level as well as at the ManCo / AIFM and product levels.

May the data they use be shared, be disclosed with the management entity, with investors?

How shall they ensure that this information is properly shared?

Shall other sources of reporting be considered? Are they consistent with the ones used at investment management level?

10. Towards SFDR Level 2

The final report setting out the proposed Regulatory Technical Standards (RTS) on content, methodologies and presentation of disclosures under the Sustainable Finance Disclosure Regulation has been published by the ESAs on February 3, 2021. (Link)

A **year-by-year historical comparison of the reports for at least the five previous reference periods shall be provided** (cf Recital 11 and Art.6).

The RTS provide templates to be used for part of the disclosures:

Website disclosures

At <u>entity level</u>:

Where	Website
Regulation 2019/2088 (level 1) reference	Art. 4 
Draft RTS (level 2) reference	
Comply	Art. 4 to Art. 9 Template Annex 1
Explain	Art. 11

⚠ The template in Annex 1 relates to **principal adverse sustainability impacts.**

Within a reference period, the portfolios of investments may change on a daily basis. Therefore, financial market participants may apply varying levels of due diligence in the calculation of their principal adverse impacts.

To ensure that a common and proportionate minimum level of due diligence is maintained, **the calculation should be undertaken on at least four specific dates (31 March, 30 June, 30 September and 31 December)** to obtain a representative level of principal adverse impacts for the reference period and that level should be disclosed on an annual basis.

At <u>product level</u>:

Where	Website
Regulation 2019/2088 (level 1) reference	Art. 10 
Who	**Art. 8 products**
Draft RTS (level 2) reference	Art. 32 to Art. 44 ⚠ Art. 36 to 39 refer to prospectus disclosures
Who	**Art. 9 products**
Draft RTS (level 2) reference	Art. 45 to Art. 57 ⚠ Art. 46 to 52 refer to prospectus disclosures

Summary sections
Web disclosures at entity or at product level contain a summary section.
The length of these sections shall not exceed two sides of A4-sized paper when printed.
These sections shall be provided in at least:
- one of the official languages of the home Member State of the financial market participant and, where different, in an additional language customary in the sphere of international finance; and
- where a financial product is marketed in a host Member State, one of the official languages of that host Member State.

Prospectus disclosures

Who	**Art. 8 products**
Where	Prospectus
Regulation 2019/2088 (level 1) reference	Art. 7 & 8 
Draft RTS (level 2) reference	Art. 13 to Art. 19 Template Annex 2

Who	**Art. 9 products**
Where	Prospectus
Regulation 2019/2088 (level 1) reference	Art. 7 & 9 
Draft RTS (level 2) reference	Art. 20 to Art. 27 Template Annex 3

⚠ These disclosures shall be inserted as an annex to the prospectus.

Annual Report

Who	**Art. 8 products**
Where	Annual Report
Regulation 2019/2088 (level 1) reference	Art. 11 
Draft RTS (level 2) reference	Art. 58 to Art. 63 + Art. 71 Template Annex 4

Who	**Art. 9 products**
Where	Annual Report
Regulation 2019/2088 (level 1) reference	Art. 11 
Draft RTS (level 2) reference	Art. 64 to Art. 70 + Art. 71 Template Annex 5

⚠ These disclosures shall be inserted as an annex to the annual report.

BENEFIT

FROM ESG POTENTIAL

WITH EFA

efa's ESG service offer covers all needs of an investment manager:

ESG Data	• All data are natively embedded in the platform • Access to ESG ratings and benchmarks • Easily combined with a large range of fund analytics and risk and performance measures
Investing	• Sustainable risks consideration • Performance contribution linked to ESG criteria • Risk limit controls
Monitoring	• Ongoing ESG analysis • Sustainable risks monitoring • Controversial activities & exclusions monitoring
Reporting	• Sustainable portfolio profile • SFDR and EU Taxonomy reports • EET (European ESG Template)

We provide you with the means to concentrate on investment management:

- Turn-key solution
- Access to a unique web-based platform
- No ESG data management: all data are embedded in the platform
- Feed of portfolio data on the platform handled by **efa**
- Access to ESG ratings and a large range of ESG benchmarks
- Powerful tool combining portfolio data with ESG criteria and risk and performance measures
- Monitor on a daily and ongoing basis the ESG profile of your portfolio
- Reporting compliant with SFDR Level 1 and 2 as well as the Taxonomy

For more information, please contact **efa** at contact@efa.eu

Impacts of human activity, increasing number of extreme climatic events, the current COVID crisis and consequently the loss of human lives or decline in biodiversity are more than enough to demonstrate the emergency to act to create a **more sustainable world.**

The financial sector has a **key role to play** to support these efforts. Integrating sustainability risks in financial strategies or considering adverse impacts of investments shall not be considered as a "nice to have" but should result of **deep convictions** in a global effort to re-orient over the **long-term** investments towards more sustainable technologies and businesses.

Taking into account and complying with the regulations in force to accompany these profound changes is complicated and **disrupts the processes in place**. However, it shall as well create **new opportunities** to generate alpha and new sales opportunities. Financial players must not conceal the fact that those who do not accompany these changes will find themselves side-lined and commercially sanctioned.

More than a fund company

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