



SUSTAINABLE
FINANCE
DISCLOSURE
REGULATION (SFDR)

2022



INTRODUCTION

Context

The EU Action Plan on Sustainable Finance was launched by the European Commission in March 2018 with the aim of **financing the transition to a low-carbon economy**. It has set 3 main objectives:

- » Redirect capital flows to a more sustainable economy
- » Integrate sustainability into risk management
- » Promoting transparency and long-term sustainability in financial and economic activities

The Commission's action plan is implemented through various regulations, including the Sustainable Finance Disclosure Regulation (SFDR), imposing the publication of information on sustainability in the financial services sector

The SFDR defines and introduces a series of new definitions (sustainable investments, sustainability risks and sustainability factors) as well as transparency requirements on financial products' characteristics that can be used and compared to assess their degree of sustainability.

Regulatory requirements of SFDR

The regulatory requirements of SFDR focus on the transparency of:

- » Consideration of sustainability risks that are risks of loss of value of underlying assets due to environmental or social events
- » Sustainable investments in economic activities that contribute to environmental or social objectives. They include investments in EU-taxonomy eligible economic activities
- » Consideration of Principal Adverse Impacts (PAI) on sustainability factors, which are the negative effects on environmental, social and employee matters as well as respect for human rights, anti-corruption and anti-bribery resulting from an investment decision

Key dates of SFDR

29 December 2019 – Entry into force of SFDR

10 March 2021 – First application date for the disclosure requirements at entity level and in pre-contractual documents at product level in accordance with the principle-based requirements of the regulation

30 June 2021 – First publication of information on negative impacts at the entity level product (500+ employees) for the partial year (Art. 4)

1 January 2022 – For financial products with ESG characteristics or objectives in sustainable investment, first application date for the disclosure requirements at product level (Art. 7)

1 January 2023 – Application of RTS/Delegated Acts (combining product transparency information under SFDR and Taxonomy) for financial products

30 June 2023 – Publication, following the template defined in the RTS, of information on negative impacts at the entity level over a full year (Art. 4)



ARTICLES' DISCLOSURES

Article 3 – Information Statement on the Integration of Sustainability Risks in the Investment Decision-Making Process

SFDR requires financial actors to publish on their website information about their policies on the **integration of sustainability risks in their investment decision making process**.

Access Capital Partners' ("Access") policy on the integration of sustainability risks in the investment processes is **detailed in its Responsible Investment Policy**.

Access Capital Partners **updated its investment procedures** to conform them with its responsible investment policy and to **reflect the integration of sustainability risks** in its investment processes as required by the SFDR regulation.

For further information on the Responsible Investment Policy, please refer to the full version of the **Responsible Investment Policy** available on Access Capital Partners' website.

Article 4 – Information Statement on our Policy on the Consideration of Principal Adverse Impacts of Investment Decisions on Sustainability Factors

As an asset management company, Access Capital Partners is required by the SFDR regulation to make a "comply or explain" decision on whether to **take into consideration the principle adverse impacts (PAI)** of its investment decisions on sustainability issues.

Access Capital Partners has carefully evaluated the requirements of the PAI regime in Article 4 SFDR, and the Final Report on draft Regulatory Technical Standards which was published in October 2021 (the "PAI regime").

PAI are taken into account by Access through the following measures :

- » **The exclusion policy** implemented by Access limits exposure to certain sectors that have a negative impact on ESG factors
- » The investment policies and processes are designed to **integrate sustainability risks** as well as **identify and prioritize PAIs** according to SFDRs on sustainability factors throughout the investment cycle based on the analysis of a wide set of KPIs

However, given the specificities of Access' activity which mainly consist of funds of funds investments, Access is currently unable to monitor all the mandatory PAIs **therefore Access decided to opt for the solution "Explain"**.

This current position is under regular review and may be reconsidered over time.

Article 5 – Information Statement on the integration on sustainability risks into remuneration policy

SFDR requires financial actors to publish on their website information on how their **remuneration policy** is consistent with the **integration of sustainability risks**.

Access has updated its remuneration policy to reflect the integration of sustainability risks.

In particular, investment teams should consider sustainability risk in their investment selection and closely monitor any events that could negatively impact this risk. Poor monitoring of sustainability indicators could justify a reduction in the amount of variable compensation.

The AIFs managed by Access are or will be **categorised as meeting the provisions set out in Article 8 of SFDR** as they promote (or will promote), among other characteristics, environmental or social characteristics, or a combination of those characteristics.



CONTACTS ———

AGNÈS NAHUM

MANAGING
PARTNER

agnes.nahum@accesscp.com

PHILIPPE POGGIOLI

MANAGING
PARTNER

philippe.poggioli@accesscp.com

CÉCILE CROISSANT

PARTNER INVESTOR RELATIONS
& COMMUNICATION

ccroissant@accesscp.com

GAËLLE ACHDJIAN

ESG & SUSTAINABILITY
ANALYST

gachdjian@accesscp.com

