

# SFDR Data Collection: Guidelines for data providers on investor needs and requirements related to SFDR reporting

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# SPTF – SFDR Investor Working Group

## SECTOR OVERVIEW for SFDR Workshop in Paris

- Conducted September 6-13, 2022
- Summary of Responses

# 20

- Total Responses

1. Gaelle Guingnard (Incofin)
2. Sascha Noe (ASN Impact Investors)
3. Martine Van Aalst-Ebbers (FMO)
4. Paul Hailey (responsAbility)
5. Dannel Liv Castillo (Incofin)
6. Tatiana Kalinina (Triodos, Netherlands)
7. Kawien Ziedses des Plantes, Diana Kos (Oikocredit UA, Netherlands)
8. Edouard Sers (Grameen Credit Agricole Foundation)
9. Sofia Bernardini (Triple Jump, Netherlands)
10. Avrah Abraham (ILX Fund, Netherlands)
11. Jenny Overman (Privium Fund Management, Netherlands)
12. Veronika Giusti Keller (BlueOrchard Finance)
13. Claire Bataillie (Symbiotics Group)
14. Mariella Llontop (Bank IM Bistum Essen eG, Germany)
15. Christopher Dreher (Enabling Capital)
16. Maria de Palacio (Gawa Capital Partners SGEIC, Spain)
17. Lisa Staudt (Invest in Visions)
18. Marina Korostina (Finance in Motion)
19. Annelise Sauter (Leapfrog Investments)
20. Christelle Champetter (InnPact)

# Part 1: Compulsory PAI Statement

## Climate and Other Environment-Related Indicators

PAI	Reporting Level		How will you collect			Level of Preparedness		
	Investee	Borrower	Through proxy calculation	Directly from Investees	Other	Ready	Partially Ready	Not Ready
1. GHG emissions	12	6	6	4	5	4	10	4
2. Carbon footprint	12	6	6	3	4	4	8	6
3. GHG intensity of investee companies	12	6	7	3	4	4	8	6
4. Exposure to companies active in the fossil fuel sector	13	5	1	9	4	3	7	5
5. Share of non-renewable energy consumption and production	16	2	3	10	2	5	7	6
6. Energy consumption intensity per high impact climate sector	13	4	3	5	3	2	6	9
7. Activities negatively affecting biodiversity-sensitive areas	12	5	0	6	5	3	8	6
8. Emissions to water	13	4	2	2	3	4	2	10
9. Hazardous waste ratio	13	4	1	3	6	4	4	8

# Part 1: Compulsory PAI Statement

## Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters

PAI	Reporting Level		How to collect			Level of Preparedness		
	Investee	Borrower	Through proxy calculation	Directly from Investees	Other	Ready	Partially Ready	Not Ready
10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	17	0	1	10	2	5	7	4
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	17	0	0	9	4	6	5	5
12. Unadjusted gender pay gap	17	0	2	10	1	6	5	6
13. Board gender diversity	17	0	0	15	1	13	2	2
14. Exposure to controversial weapons	13	4	0	10	6	12	2	2

## Part 2: Additional Climate and Other Environment Related Indicators

Which indicators will you report on?	
1. Emissions of inorganic pollutants	0
2. Emissions of air pollutants	1
3. Emissions of ozone depletion substances	1
4. Investments in companies without carbon emission reduction initiatives	4
5. Breakdown of energy consumption by type of non-renewable sources of energy	0
6. Water usage and recycling	0
7. Investments in companies without water management policies	0
8. Exposure to areas of high-water stress	0
9. Investments in companies producing chemicals	1
10. Land degradation, desertification, soil sealing	0
11. Investments in companies without sustainable land/agriculture practices	4
12. Investments in companies without sustainable oceans/seas practices	0
13. Non-recycled waste ratio	0
14. Natural species and protected areas	0
15. Deforestation	3
16. Share of securities not certified as green under a future EU legal act setting up an EU Green Bond Standard	0

# Part 3: Additional Social/Employee/Human Rights/Anti-corruption and Bribery Indicators

Which indicators will you report on?	
1. Investments in companies without workplace accident prevention policies	0
2. Rate of accidents	1
3. Number of days lost to injuries, accidents, fatalities or illness	1
4. Lack of a supplier code of conduct	0
5. Lack of grievance/complaints handling mechanism related to employee matters	7
6. Insufficient whistleblower protection	0
7. Incidents of discrimination	0
8. Excessive CEO pay ratio	0
9. Lack of a human rights policy	2
10. Lack of due diligence	1
11. Lack of processes and measures for preventing trafficking in human beings	0
12. Operations and suppliers at significant risk of incidents of child labour	0
13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	0
14. Number of identified cases of severe human rights issues and incidents	0
15. Lack of anti-corruption and anti-bribery policies	6
16. Cases of insufficient action taken to address breaches of standards of anti-corruption and antibribery	0
17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	0

# Part 4: Minimum Safeguards

## How do you ensure compliance with minimum safeguards?

We already covered minimum safeguards through our internal due diligence questionnaire

10

We already covered minimum safeguards through external tools

3

We need to add questions to our due diligence questionnaire(s) to cover minimum safeguards

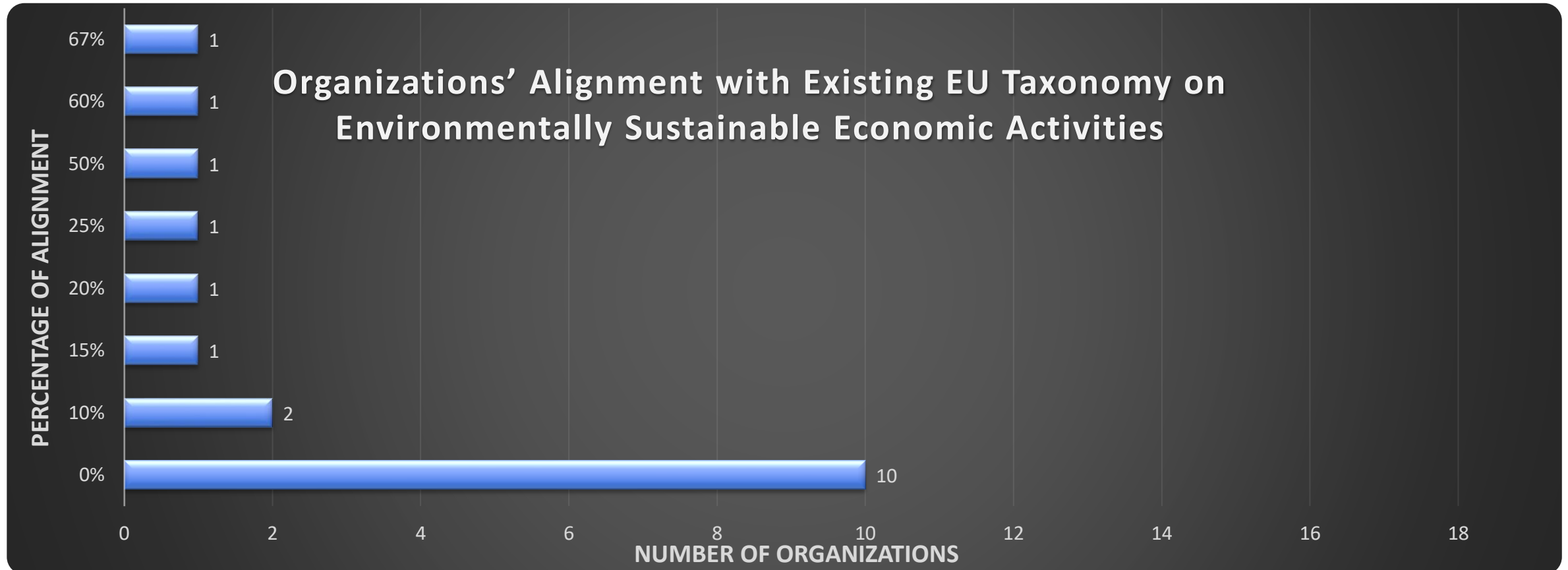
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# Part 5: Taxonomy

**Q67: What percentage of alignment with the existing EU Taxonomy on environmentally sustainable economic activities do you think can be achieved ON A TYPICAL MIV PORTFOLIO?**

Answered: 18 Skipped: 1



# Part 5: Taxonomy

## Q68: On what asset class found in A TYPICAL MIV portfolio do you think some alignment with the EU taxonomy can be reached ?

Answered: 11 Skipped: 8

### Responses

Potential alignment with EU Taxonomy depends on the investment objective of a product/portfolio, the investment country and investee type, rather than asset class. From a typical MIV portfolio with exclusively social investment objective, we expect 0% Taxonomy alignment (with the environmental Taxonomy).

renewable infrastructure (debt)

Energy products, transportation, construction, agriculture (when it will be included in the Taxonomy), climate change adaptation. However, a typical investee won't be able to report against the EU Taxonomy standards.

through solar investments, not exactly on typical MIV portfolio but quite common now

both (Debt & Equity)

I don't know.

Unless they are offering green loans, not much at all.

Don't know

This is a really tough question. Also, in terms of "size of impact" when compared with all the asset classes at the capital markets level.

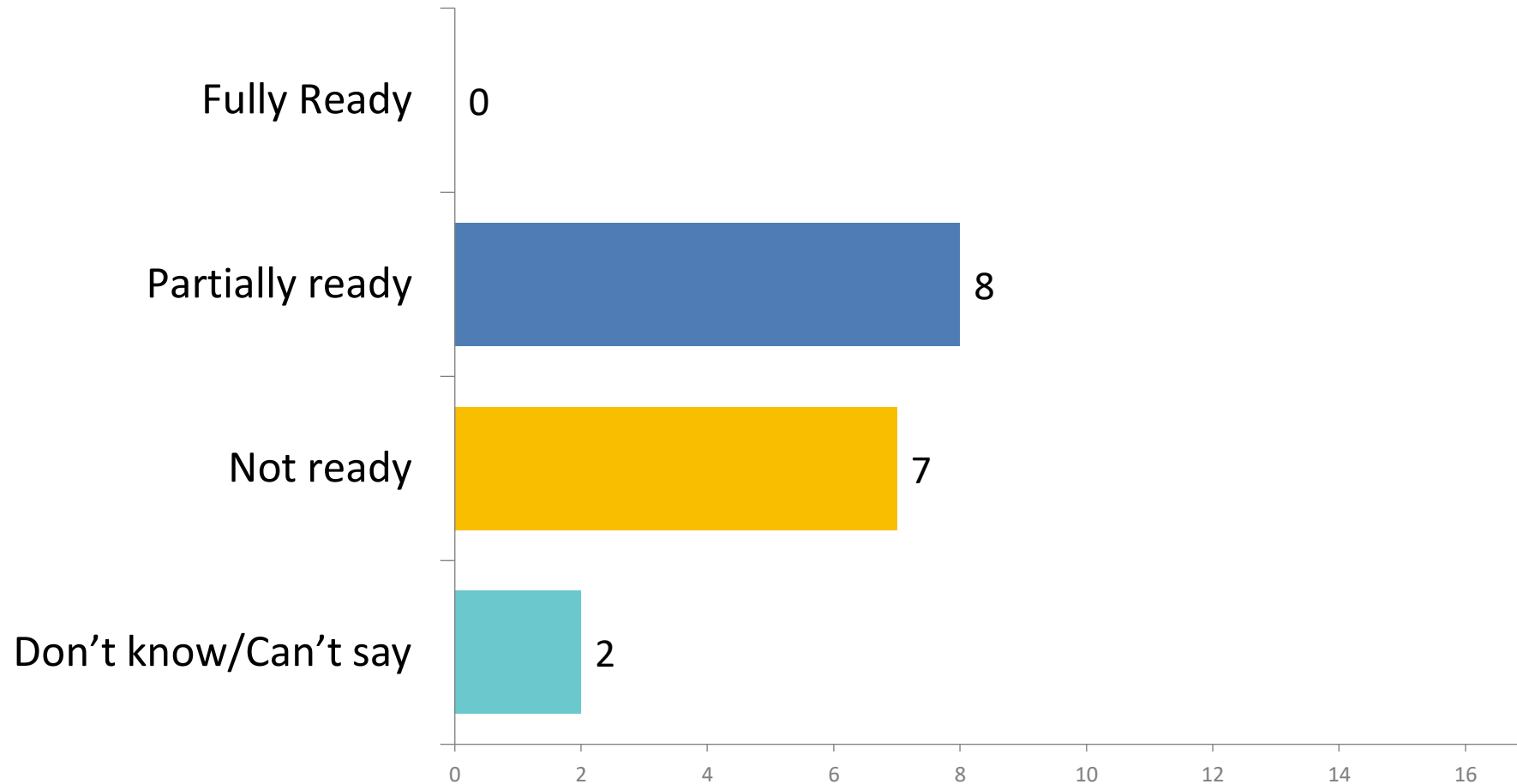
Please note that we elected to not report alignment to TAXO on environmental objectives, our funds focus on Social objectives

I don't know

TOTAL

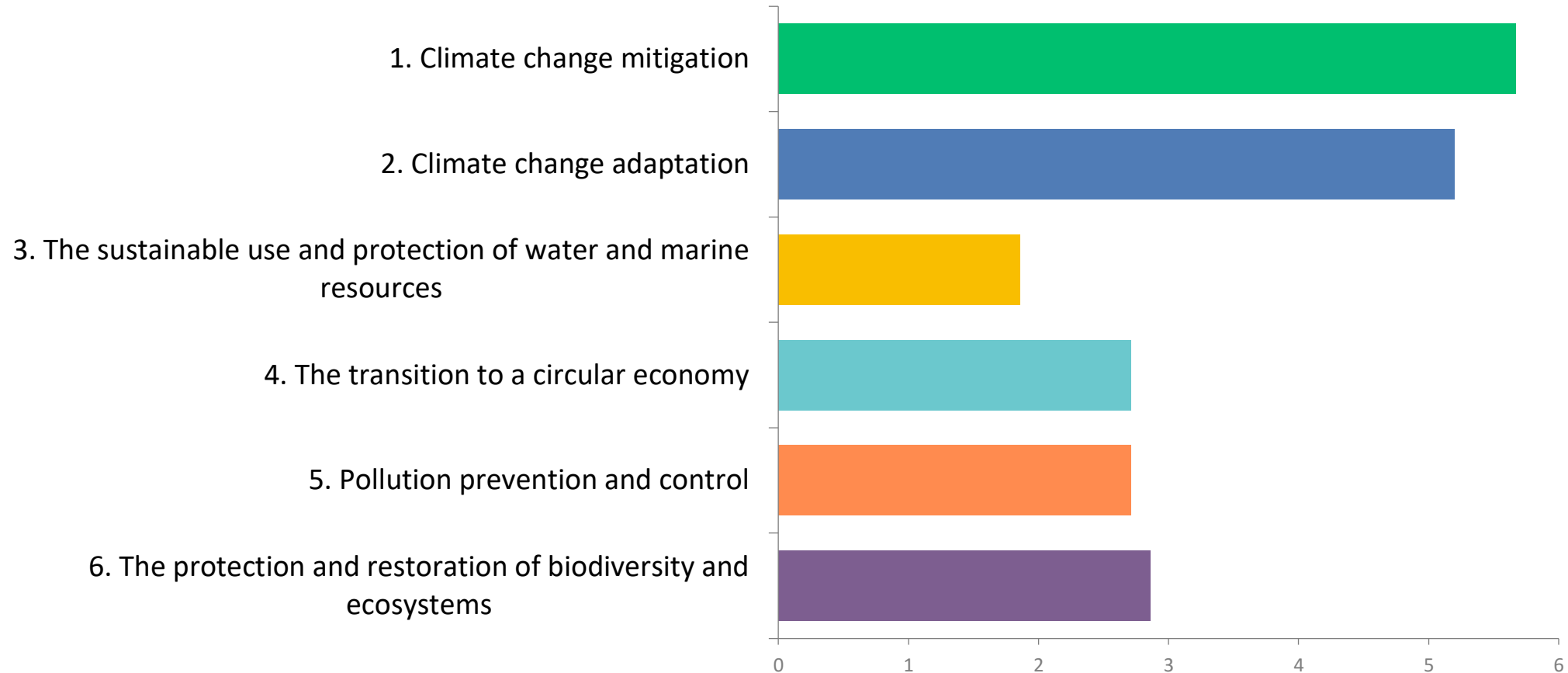
# Part 5: Taxonomy

**Q69: How advanced would you consider your organization to be in terms of reporting capacity regarding the EU Taxonomy?**



# Part 5: Taxonomy

**Q70: Which of the 6 environmental objectives of the EU Taxonomy are the most relevant to your organization ? (rank from most important to least important)**



# Part 5: Taxonomy

## Q71: What are your main challenges regarding the reporting on the EU taxonomy?

### Responses

Overall data availability, EU-centric Technical Screening Criteria that needs to be applied to investments in emerging markets

Difficulties in verifying DNSH

The availability and data requirements in developing countries

Understanding the reporting requirements, data availability and gathering

Few challenge as most of the investments are not eligible to the EU taxonomy (part of the TSC for CCM are non applicable to non-EU companies; for part of the others, the TSC should be applicable, but we lack accurate data and as they concern very minor investments, upgrade of tools is costly)

Data mapping with EU Taxonomy; you see already challenges with plain-vanilla listed equity portfolio in developed markets, so you can image the data issues for private debt EM like microfinance. Furthermore, the social Taxonomy is totally missing and focusing on Environmental parts is somehow misleading.

Current reporting does not seem to fit with MIVs.

that all our investments our outside the EU thus outside their legal domain

Detail of RTS

Most relevant sector for us is agriculture, which does not have guidelines yet

We understood that it is not advisable to combine env and soc. objectives and therefor decided to stay with the main focus of social objectives for our Financial Inclusion funds, not reporting alignment to EU TAXO for now, while there are no social elements in it.

Not a challenge right now as our Fund does not have a specific formal objective on the environment. But it will become a challenge; what we would need is probably a widely accepted method to report on the taxonomy with proxies, adapted to our sector.

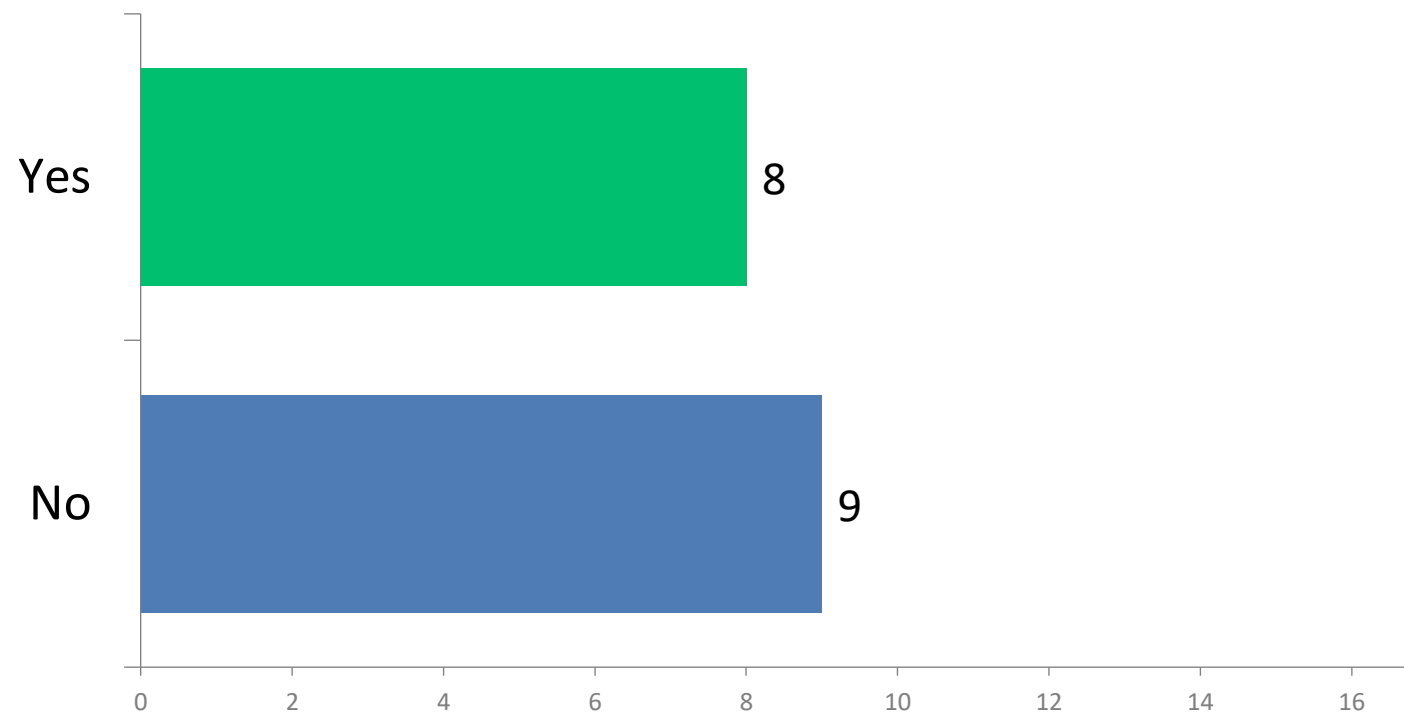
application of EU focused screening criteria to emerging markets

TOTAL

# Part 5: Taxonomy

## Q72: Do you plan to report on the percentage of taxonomy alignment in YOUR funds?

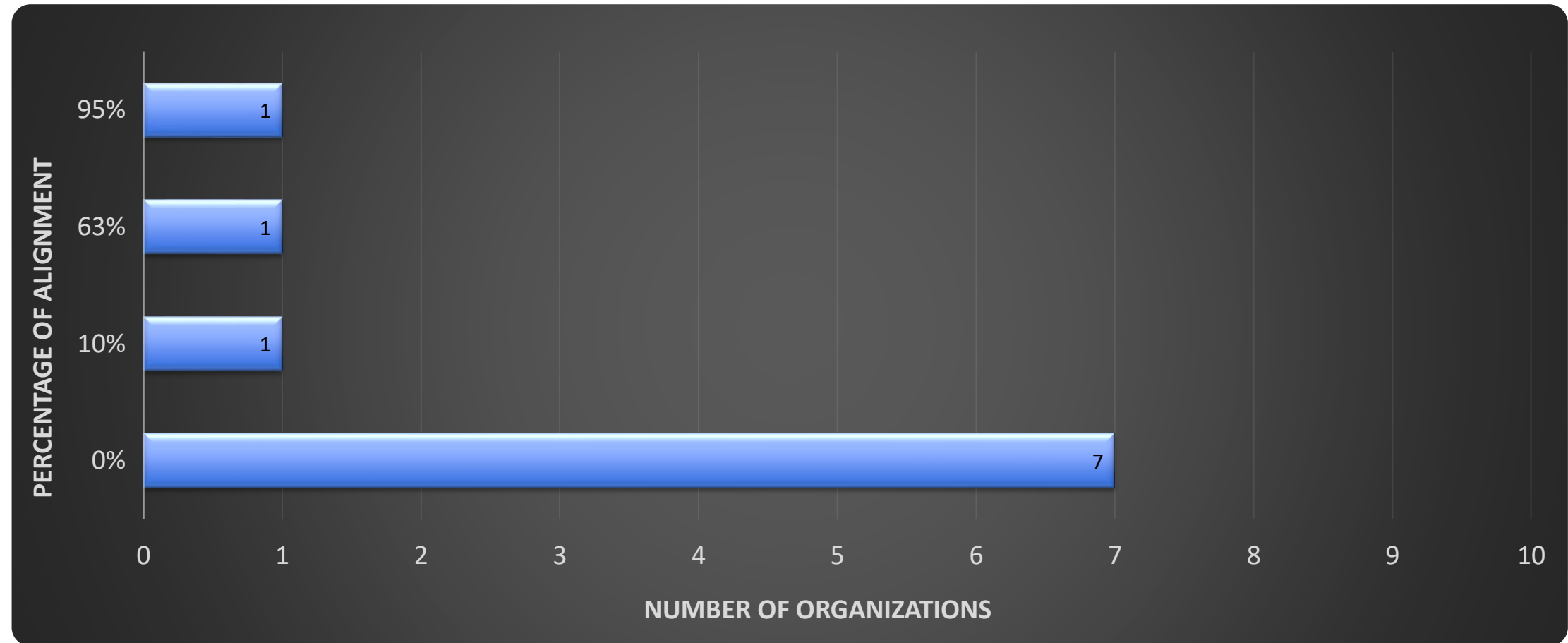
Answered: 17 Skipped: 2



# Part 5: Taxonomy

## Q73: If yes, what percentage of taxonomy alignment do you expect?

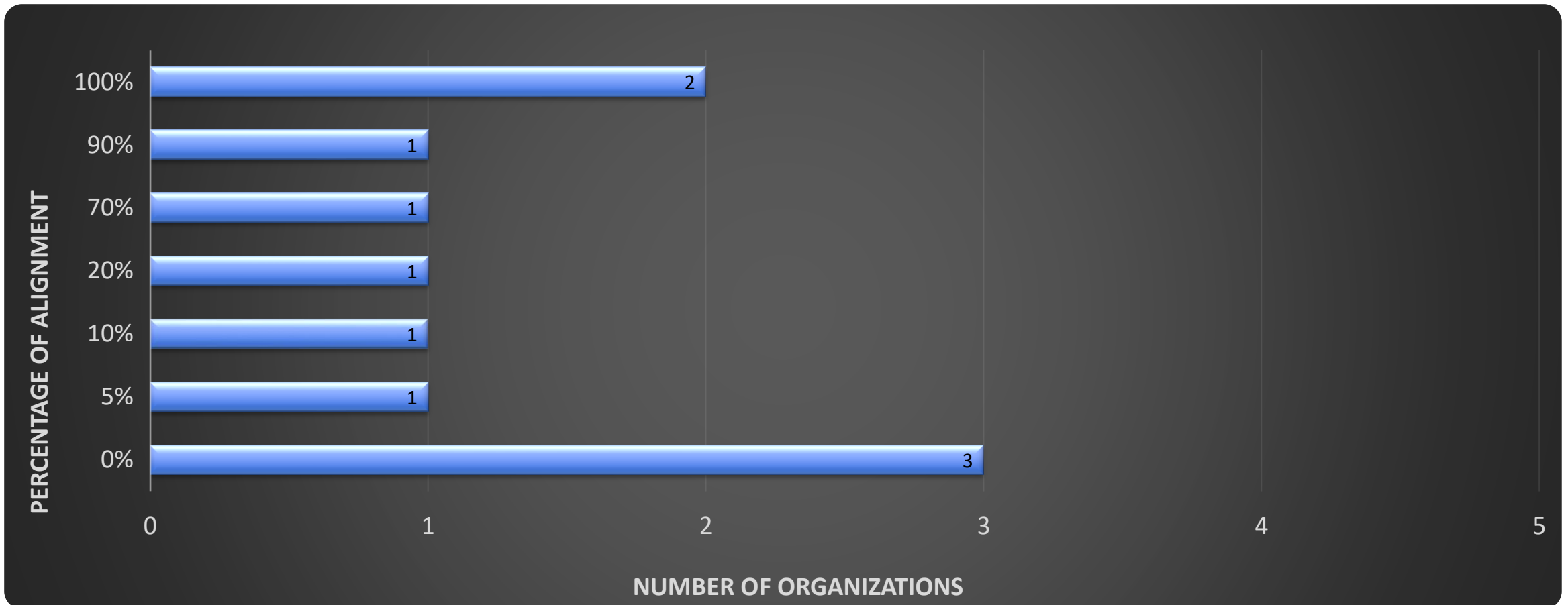
Answered: 10 Skipped: 9



# Part 5: Taxonomy

**Q74: What minimum percentage of Sustainable Investments with an Environmental Objective do you plan to have in your funds?**

Answered: 10 Skipped: 9

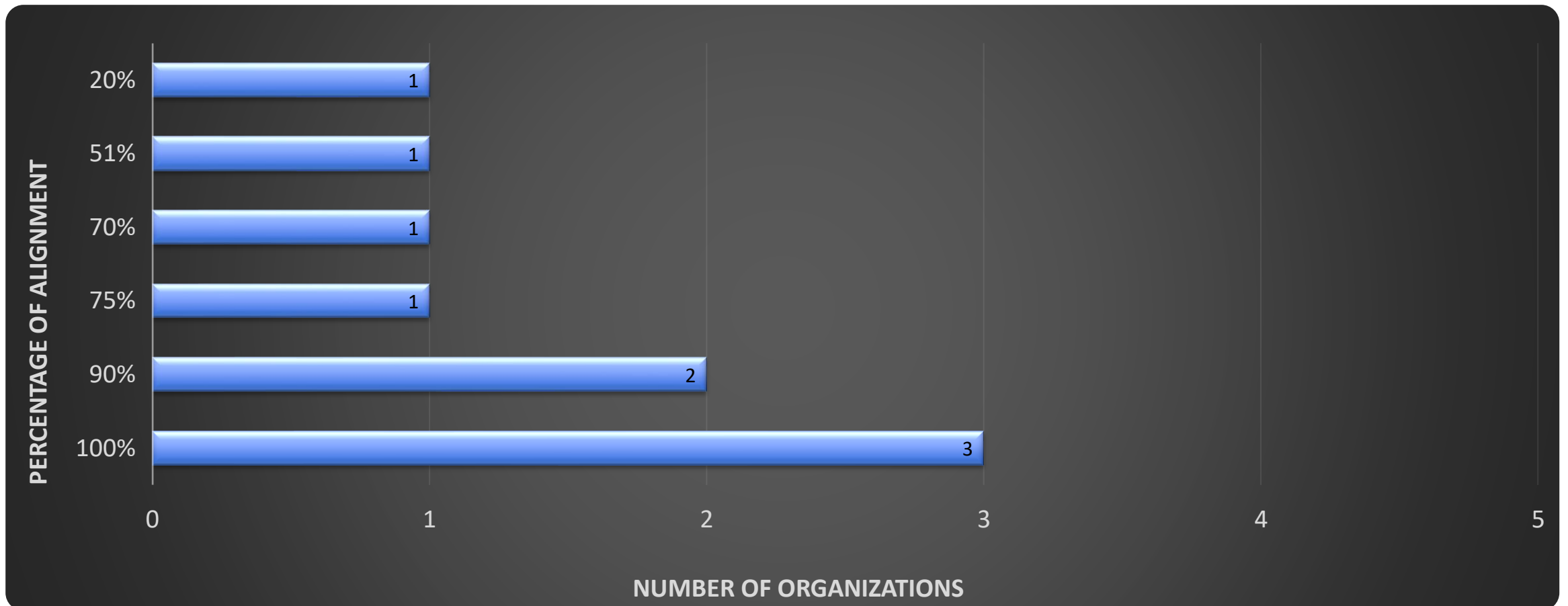




# Part 5: Taxonomy

**Q75: What minimum percentage of Sustainable Investments with a Social Objective do you plan to have in your funds?**

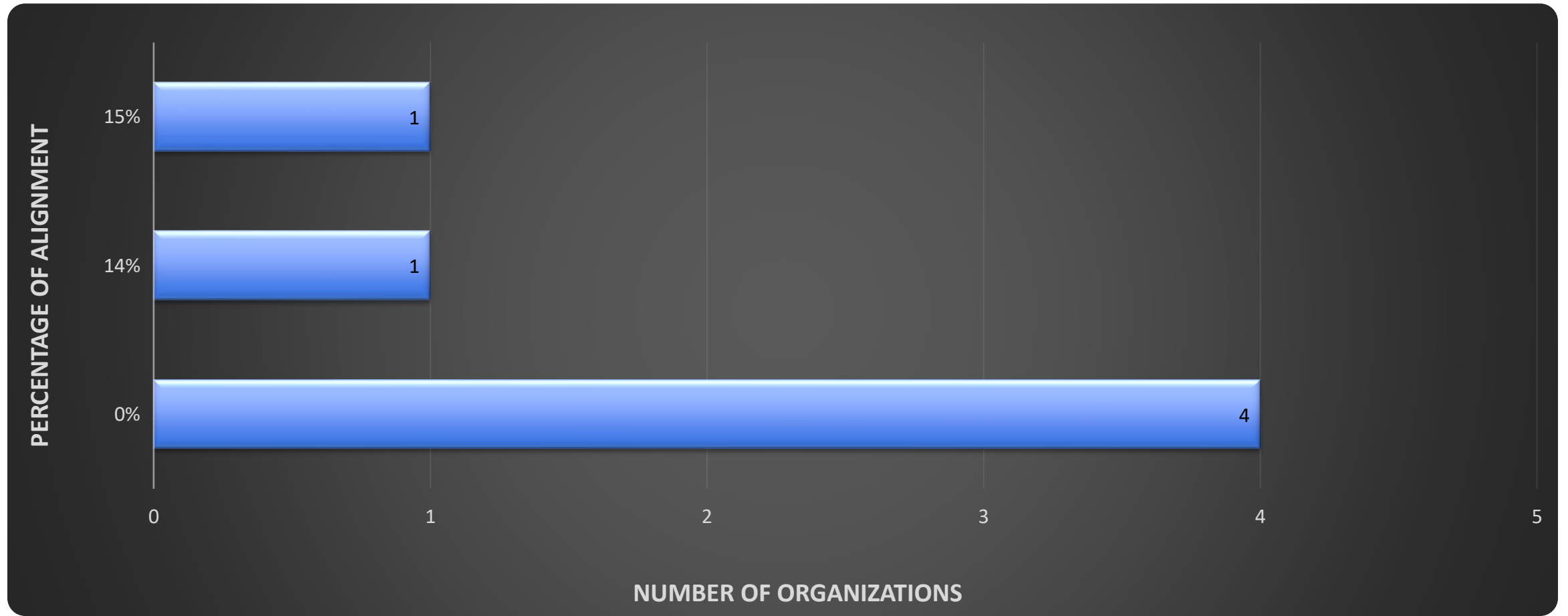
Answered: 9 Skipped: 10



# Part 5: Taxonomy

**Q76: What minimum percentage of Taxonomy alignment do you plan to have in your in Funds (in % of Sustainable Investment with an Environmental Objective)?**

Answered: 6 Skipped: 13



# THANK YOU!

THANK YOU FOR YOUR CONTRIBUTIONS !!!