

Our sustainable finance solution

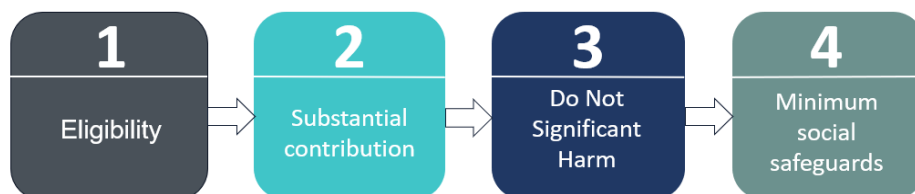
Assess the taxonomy compatibility of your products and develop awareness among your stakeholders

The European Commission is implementing an ambitious regulation package to direct the flow of financing toward sustainable activities that will enable the transition to a low carbon economy. This package includes the taxonomy regulation and the Sustainable Finance Disclosure Regulation (SFDR). These aim to bring more transparency to sustainable finance to avoid greenwashing and improve the information acquisition process of investors. The taxonomy is a classification of green economic activities according to specific technical screening criteria. It will enable

investors to identify sustainable activities. To be deemed taxonomy-aligned, economic activity must address at least one environmental objective without harming the others. This regulation also introduces new disclosure requirements related to the Corporate Sustainability Reporting Directive (CSRD). The SFDR is also closely related to the taxonomy. It aims to bring more transparency to both pre-contractual and non-financial reports. The SFDR also introduces a classification of financial products: grey (article 6), light green (article 8), and dark green (article 9).

Our methodology

1. Taxonomy assessment



1. Is the activity eligible? The first step is to analyze, if one or more of the company's economic activity is part of the list of taxonomy-eligible activities introduced by the TEG.

2. Does the activity substantially contribute to one of the environmental objectives? The activity must meet the technical screening criteria to be deemed as taxonomy-aligned.

3. Does the activity respect the DNSH criteria? The Do Not Significant Harm criteria are thresholds and requirements an economic activity must respect in addition to the substantial contribution criteria.

4. Does the company respect minimum social safeguards? Environmental objectives can not be addressed at the cost of social impact.

2. ESG Score



Outcome

Product label

As the outcome of the process, you receive a label on your product if our assessment shows a share of taxonomy eligible* activities above the required threshold (50%)

Your benefits:

- ✓ Communicate on the sustainability performance of your product
- ✓ Meet regulatory requirements
- ✓ Reward your sustainability efforts

Report

We provide you with a detailed report describing the composition of your fund, providing you with the necessary tools to deal with sustainable finance regulatory environment

Your benefits:

- ✓ Improve your risk management policy
- ✓ Get a tailor-made taxonomy alignment strategy

Kommentiert [EP1]: Est-ce bien la SFDR qui requière la communication de la proportion des objectifs environnementaux qui sont adressés par le fond? Ou était ce la CSRD ou la taxonomie?

*From 2024, this will be the share of taxonomy-aligned activities that will have to meet the minimum threshold

Environmentally harmful activities:

We provide you the share of revenue from activities related to fossil fuel. In addition, we calculate the % of revenue from activities related to nuclear and natural gas. Although these activities are taxonomy eligible, the investors preferences can be more variable for these 2 sectors. Therefore, you can improve your transparency by disclosing these proportion in your pre-contractual report

Environmental objectives addressed:

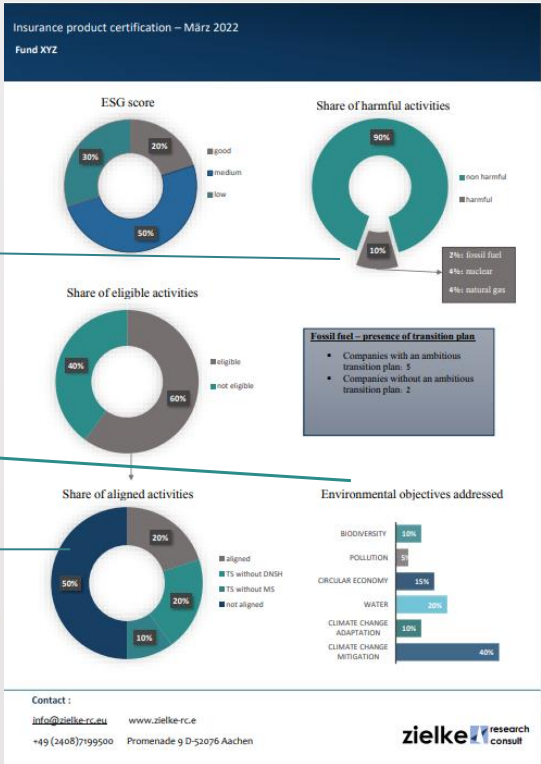
The SFDR requires the disclosure of the share of environmental objectives addressed by a financial product article 9.

Share of aligned activities:

We provide you with the breakdown of alignment as follow:

- TS aligned but DNSH misaligned
- TS aligned but MS misaligned
- Not aligned

These results help you to better define your engagement strategy.



Case Study – AXA

Challenge:

AXA needed a third-party opinion about the classification of its funds following the SFDR product categories definition: article 6, article 8 and article 9.

Outcome:

We provided AXA with an assessment of the greenness of its funds along with an preliminary measure of the taxonomy alignment level. Our analysis shed light on funds with the article 9 characteristics and article 8 funds with a good potential for a future high taxonomy alignment proportion.



Why Zielke Research Consult



Represented in international accounting bodies (EFRAG, IASB), including EFRAG Lab, FinDaTex



27 years of experience in asset-liability management



Only approach aligned with European regulatory bodies requirements



Multidisciplinary and dedicated team

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