

Our Solution for SFDR Reporting

Product Note

V1.0

evoraglobal.com



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What Is SFDR?

The **Sustainable Finance Disclosure Regulation** (SFDR) legislation is reshaping the landscape of investment funds by mandating transparency and disclosure of sustainability factors.

SFDR Reporting is crucial for regulatory compliance, market differentiation, and meeting investor expectations, enhancing industry reputation, and improving access to capital through standardised disclosure.

However, the process of **SFDR Periodic Disclosures** can be challenging due to intricate regulatory requirements and the necessity to align outcomes with fund sustainability commitments.

This involves addressing measurement ambiguities, implementing robust data collection procedures, and adhering to specific deadlines. These challenges are compounded by factors such as a lack of expertise, resource constraints, and the ever-evolving regulatory landscape.

Successful SFDR Reporting demands a deep understanding of sustainability principles, efficient data management, and adaptability to regulatory changes.





What Are SFDR Periodic Disclosures and PAI?

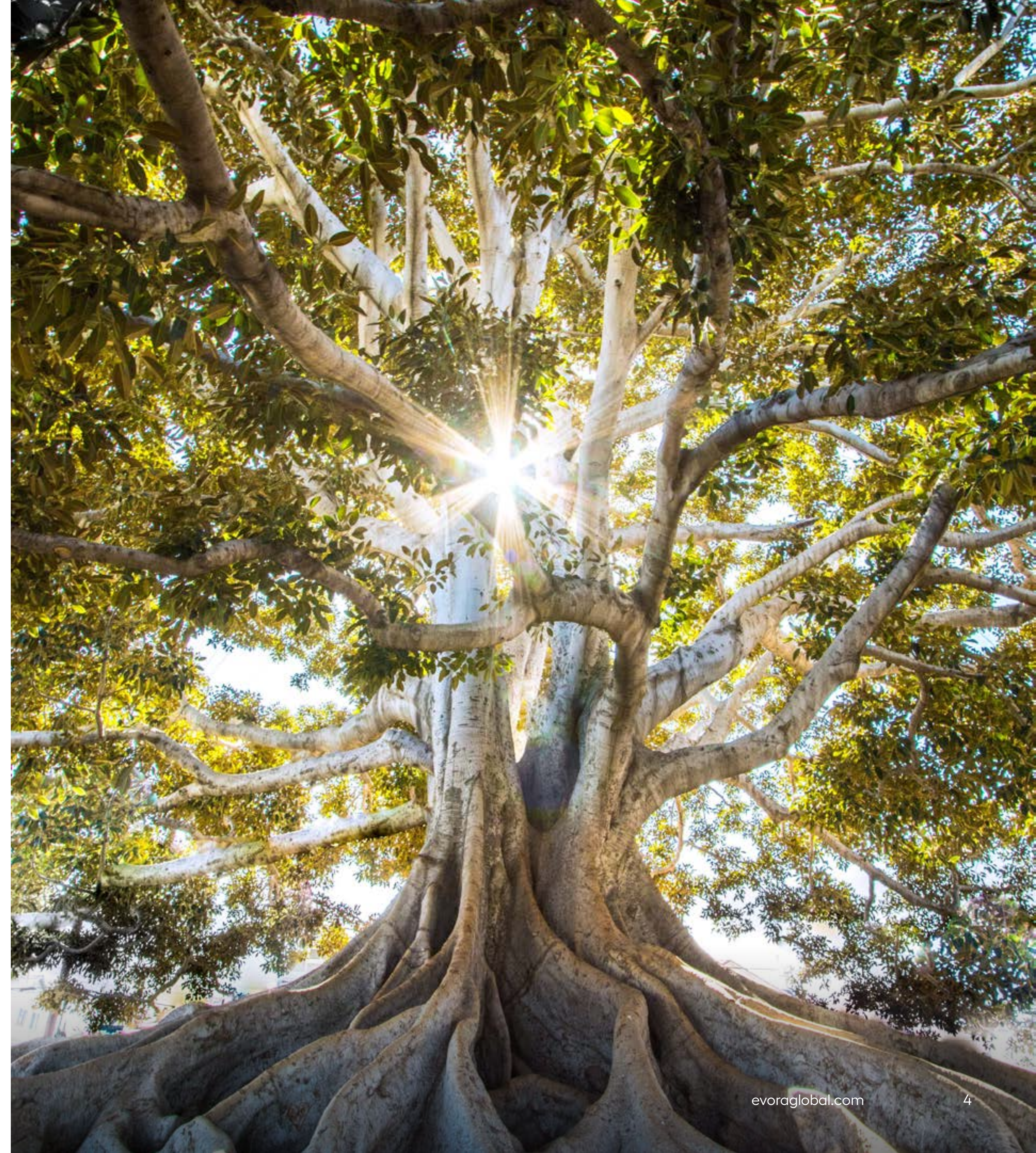
Compliance with **SFDR Articles 8** or **9** distinguishes your fund's commitment to sustainable finance. Article 8 focuses on promoting environmental or social characteristics, whereas Article 9 centres on funds with a sustainable investment objective. Aligning with these articles enhances transparency, builds trust, and meets evolving market expectations. For Article 8 funds, two templates must be completed for SFDR compliance.

1. Annex II Pre-Contractual Disclosure Template

2. Annex IV Periodic Disclosure Template

SFDR Periodic Disclosures, attached to your Annual Financial Report, may face timing challenges due to a shorter year-end turnaround compared to traditional sustainability reporting. A robust strategy is essential for effective management.

For **Article 8** funds addressing Principal Adverse Impacts (**PAI**) on sustainability, it's crucial to integrate committed indicators into your **Annex IV Periodic Disclosure Template**. The complexity of this task depends on access to the data and information needed for calculating the indicators and demonstrating meaningful actions to mitigate the negative impacts associated with PAI.





Completing Annex IV or Annex V for SFDR Reporting

Meeting **SFDR Periodic Disclosure** requirements for Article 8 or 9 funds means ensuring clear, measurable commitments supported by efficient management processes.

In Phase 1, our Sustainability Finance team meticulously defines the project scope, timeline, key milestones, initial requests for information, data sharing methods, and expected outcomes tailored to your fund type, characteristics, and commitment to sustainable investments.

We assess your fund's potential **PAI** reporting requirements and, where relevant, ensure alignment with the **EU Taxonomy**. This serves as a disclosure requirement and partner regulation to the SFDR, functioning as an environmental classification system within the EU to determine the environmental sustainability of activities.

In Phase 2, we customise an **Annex IV Periodic Disclosure Template** for your **Article 8** fund or an **Annex V Periodic Disclosure Template** for your **Article 9** fund, ready for your legal team to review.

For all calculations within the scope, we clearly outline the methodology and present any underlying assumptions in your master disclosure file.





How Can SFDR Reporting Unlock Prospects?

Embracing the transparent disclosure and sustainable finance focus of **SFDR Reporting** opens new horizons for your fund. Compliance with these regulations grants your fund entry into a burgeoning market of investors actively seeking sustainable and responsible investment opportunities.

This dedication to sustainability principles not only boosts your fund's appeal but also builds trust, attracting conscientious investors and positioning your fund for sustained success in a dynamic financial landscape.





EVORA: Your Partner for SFDR Reporting

At EVORA, we specialise in navigating the complexities of **SFDR Reporting**, ensuring seamless compliance for your funds and attracting valuable EU investments.

Our comprehensive approach includes a deep understanding of SFDR Reporting regulations, meticulous crafting of a personalised **Annex IV** or **Annex V Periodic Disclosure Template** for your fund, and robust management of regulatory documents.

Partner with us to unlock the full potential of SFDR, enhance your market reputation, and position your funds for success in the evolving Sustainable Finance landscape.





Trust EVORA Global for Sustainable Assets

We go beyond consultancy, serving as your trusted partner for sustainable real asset investments.

With our unparalleled **Collaborative Expertise**, we provide actionable insights that empower your real asset community to thrive in sustainable investment.

Our proven expertise in strategic consulting, climate resilience, net zero, sustainable finance, infrastructure, reporting, and social wellbeing ensure your investments are aligned with environmental, social, and governance goals for a secure ROI.

Driven by Collaborative Expertise

STRATEGY

Driving value and impact with sustainable ESG strategies

TECHNOLOGY

Streamlining operations and insights with advanced real asset technology, **SIERA**



ADVISORY

Navigating sustainable solutions with expert real asset advice



Our Mission

To establish sustainability and carbon as foundational factors for investment decisions.

Our Purpose

To accelerate the adoption of real asset sustainability and enhance the wellbeing of the planet and its people.

Our Clients

250+
CLIENTS

45,000
ASSETS

\$880 billion
AUM

“

For the third year running, EVORA has helped us produce an ESG Report that celebrates Audley’s success so far and helps define our future ambitions. We’re delighted with the finished result.”

Harriet Dunstan
Marketing Director
Audley Group

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