

<https://blog.en.erste-am.com/eu-sustainable-finance-disclosure-regulation-and-its-impact-on-asset-managers/>

## The EU Sustainable Finance Disclosure Regulation and its impact

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- European Union Sustainable Finance Disclosure Regulation came into force on March, 10
- The goal is to create more transparency for sustainability risks in financial investment products
- Austrian Erste Asset Management has implemented EU Sustainable Finance Disclosure Regulation

The European Union sustainable finance disclosure regulation (SFDR) came into force on March 10, 2021. From this point on, all financial products, including investment funds, must be classified according to their sustainability. This is intended to create more transparency for sustainable investments in financial investment products.

The [disclosure regulation of the European Union](#) establishes new transparency rules on the effects of sustainability risks in financial investment products and adverse effects. Austrian Erste Asset Management (Erste AM) has adapted all relevant documents to the new transparency requirements.

### Transparency requirements

Manager	transparency requirements for the asset manager (Art. 3-5)		
	Transparency of sustainability risk policies (Art. 3)	Disclosure of adverse impacts of investment decisions on sustainability factors (Art. 4)	Transparency of remuneration policies in relation to the integration of sustainability risks (Art. 5)
Financial products	Traditional (Art. 7 Taxonomy reg.)	ESG ( Art. 8, „light green“)	Impact (Art. 9, „dark green“)
	ESG is not included or only included through minimal ESG standards	The investment process explicitly provides for environmental and/or social features to be promoted	The investment process is designed to meet a demonstrable sustainable objective
	Does not comply with EU criteria for green business activities	Comprehensive reporting on ESG tools (2021) & impact of investment (2022)	
	Reporting of negative ESG impacts (2022+)	Negative ESG Impact is disclosed but minimized through ESG process (2022+)	
	Voluntary ESG integration possible	Binding effect of the ESG process on the investment process	

Source: Erste AM

Sustainability risks in investment decisions

In order to meet the transparency requirements, Erste AM has adapted all relevant documents and published them on its website (for UCITS funds in the prospectuses, for AIF funds in the §21 document). The description of how sustainability risks are included in investment decisions, including an assessment of how they affect the respective product, is set out for all funds in the prospectus/§21 document.

In addition, further adjustments are made in the product-specific documents for sustainable funds in accordance with Articles 8 and 9 of the Disclosure Regulation (ESG annex in the prospectus, ESG information on the web factsheet, accountability reports with ESG reporting from 2022).

## ERSTE AM funds and classification according to the Disclosure Regulation

Impact funds such as [the ERSTE GREEN INVEST](#), invest directly in solutions for ecological and social challenges and are classified according to Article 9 of the EU Disclosure Regulation. The proven "ERSTE RESPONSIBLE" funds are recorded as Article 8 products in this scheme: They continue to meet the highest demands on sustainable investments and, in addition to the existing ESG reporting, will also meet the requirements of the Disclosure Ordinance.

For some time now, Erste AM has been consistently pursuing the path to make its product range even more sustainable. At the beginning of 2020, ESG criteria, which can improve the risk-adjusted return, were started to be integrated into funds that were previously managed in a traditional manner. The processes used can, for example, significantly reduce CO2 intensity, better map the quality of corporate management (governance) in the funds and minimize involvement in violations of international standards. We now also classify these funds as Article 8 products (ESG integration). For all other funds, we are continuously evaluating the possibilities of including even more ecological and social factors in the investment process.

- **More on sustainability at Erste AM:** <https://www.erste-am.at/en/private-investors/sustainability>
- **More on the SFDR:** <https://www.erste-am.at/en/private-investors/sustainability/eu-sustainability-disclosure>

## About us:

About us: With a sustainably invested volume of over 15 billion euros (December 31, 2020) in more than 50 sustainable mutual funds and several special funds, Erste AM is the market leader in Austria in the sustainability sector. Erste AM also plays a pioneering role in the area of ethics and sustainability: Erste AM launched the first environmental equity fund back in 2001.

## Legal note:

Prognoses are no reliable indicator for future performance.

## Legal disclaimer

This document is an advertisement. Unless indicated otherwise, source: Erste Asset Management GmbH. The language of communication of the sales offices is German and the languages of communication of the Management Company also include English.

The prospectus for UCITS funds (including any amendments) is prepared and published in accordance with the provisions of the InvFG 2011 as amended. Information for Investors pursuant to § 21 AIFMG is prepared for the alternative investment funds (AIF) administered by Erste Asset Management GmbH pursuant to the provisions of the AIFMG in conjunction with the InvFG 2011.

The currently valid versions of the prospectus, the Information for Investors pursuant to § 21 AIFMG, and the key information document can be found on the website [www.erste-am.com](http://www.erste-am.com) under "Mandatory publications" and can be obtained free of charge by interested investors at the offices of the Management Company and at the offices of the depositary bank. The exact date of the most recent publication of the prospectus, the languages in which the key information document is available, and any other locations where the documents can be obtained are indicated on the website [www.erste-am.com](http://www.erste-am.com). A summary of the investor rights is available in German and English on the website [www.erste-am.com/investor-rights](http://www.erste-am.com/investor-rights) and can also be obtained from the Management Company.

The Management Company can decide to suspend the provisions it has taken for the sale of unit certificates in other countries in accordance with the regulatory requirements.

**Note:** You are about to purchase a product that may be difficult to understand. We recommend that you read the indicated fund documents before making an investment decision. In addition to the locations listed above, you can obtain these documents free of charge at the offices of the referring Sparkassen bank and the offices of Erste Bank der oesterreichischen Sparkassen AG. You can also access these documents electronically at [www.erste-am.com](http://www.erste-am.com).

**N.B.:** The performance scenarios listed in the key information document are based on a calculation method that is specified in an EU regulation. The future market development cannot be accurately predicted. The depicted performance scenarios merely present potential earnings, but are based on the earnings in the recent past. The actual earnings may be lower than indicated. Our analyses and conclusions are general in nature and do not take into account the individual characteristics of our investors in terms of earnings, taxation, experience and knowledge, investment objective, financial position, capacity for loss, and risk tolerance.

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