

MiFID II – ESG

**Knowing your sustainability preferences
to serve you better**



What is MiFID II – ESG?

Context

Traditional finance is facing growing climate challenges and forced to reinvent itself to focus on investments that take environmental aspects into account. Thus, sustainable developments with a positive impact on society and the planet are becoming increasingly important in the composition of investment portfolios.

MiFID II – ESG, applicable from 2 August 2022, is based on the Markets in Financial Instruments Directive (MiFID II) and on the Sustainable Finance Disclosure Regulation (SFDR).

Both regulations intend to further protect investors and increase transparency by adding the factor of sustainability to investments without neglecting the current parameters of compatibility in terms of risk.

What does ESG mean?

ESG criteria are used to analyse whether the strategy of companies and issuers considers long-term sustainable development and environmental goals. They are based on three pillars:

- **The environmental criteria** look at the impact of the company's activities on climate change and the preservation and management of natural resources, such as carbon emissions, recycling and electricity consumption.
- **The social criteria** look at how the company manages the relation with its employees, customers and suppliers, including the employment of disabled people, workplace

safety and employee training. Beside the internal aspect of the social criteria for the company, there is also the external aspect, such as the image of the company as perceived by the public (strikes, etc).

- **The governance criteria** analyse the way the company is run, such as executive remuneration, the feminisation of the management and anti-corruption measures.

What is sustainable investing?

The SFDR regulation considers an investment to be sustainable if the product invests in an economic activity that contributes to an *environmental* (renewable energy, effects on biodiversity or circular economy...) or *social* (tackling inequality...) *objective*. It is mandatory that these investments do not cause significant harm to any of these objectives and the companies in which investments are made, apply *good governance* practices.



Why MiFID II – ESG?

For even more transparency

- You receive information on the sustainability of the financial instruments offered, enabling you to make conscious investment decisions.
- All investment advice and discretionary management services are accompanied by a suitability assessment of your securities portfolio regarding your sustainability preferences.

To invest according to your beliefs

- We make your beliefs the core of your investments.
- We follow up on your preferences by monitoring on a daily basis whether your portfolio and the instruments composing it are in line with your sustainability preferences.

How does MiFID II – ESG work?

Knowing you better

The investor profile survey (Suitability Test) has been extended to consider your sustainability preferences. This will allow us to offer you investment advice or discretionary management that is not only in line with your risk profile, but also with your sustainability preferences.

Serving you better

- Benefit from a portfolio that is even more tailored to your investment preferences.
- Learn how to best integrate sustainability criteria into your investments.
- Combine your ESG convictions with financial fundamentals and anticipate long-term risks and opportunities.
- Discover the most advanced investment funds and companies focusing on transition issues, the economy of tomorrow and developing sectors.
- Track the sustainability of your portfolio through its average ESG rating.

Who is MiFID II – ESG for?

For any customer seeking to invest in a sustainable way!

Your advisor will first define together with you your investor profile considering the ESG criteria that are important to you. Once you have defined your sustainability preferences, he will be happy to advise you on your sustainable investments.



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