

SFDR Regulatory Reporting

Streamline and scale your reporting on Sustainable Finance Disclosure Regulation (SFDR) data with FactSet’s content-agnostic solutions.

THE CHALLENGE

- Accessing and connecting multiple SFDR-relevant datasets
- Aggregating Principal Adverse Impact (PAI) indicators up to the product- and entity-level
- Incorporating hierarchical logic to pull data from multiple sources
- Producing customizable reports that support required quantitative and qualitative sections
- Publishing reports at scale without sacrificing auditability

THE SOLUTION

Content-Agnostic Reporting

Seamlessly connect EU Taxonomy and PAI datasets of your choice to your firm’s holdings. Choose from the SFDR-relevant datasets already integrated into FactSet or load your own data.

Integrated Datasets:

- FactSet SFDR Principal Adverse Impacts
- MSCI SFDR Principal Adverse Impacts and EU Taxonomy
- ISS ESG SFDR Principal Adverse Impacts

Multi-Asset Class Portfolio Analysis

Aggregate security-level data across your firm’s holdings for simplified SFDR reporting.

- Leverage FactSet’s templates to expedite report creation
- Use customized logic to incorporate data from multiple sources
- Compile data using portfolio groupings at the country, sector/industry, asset class, or other level
- Compare holdings and analyze trends with dynamic charts and time-series reports

FACTSET SFDR PRINCIPAL ADVERSE IMPACTS OVERVIEW

Included with regulatory reporting subscriptions.

Built specifically to support compliant PAI reporting.

Coverage:

- 7,000+ public companies
- All mandatory corporate indicators*
- 32 of 33 additional corporate indicators
- Underlying inputs are included where available
- Truvalue Spotlights Events are used for supplemental Organization for Economic Cooperation and Development (OECD) and United Nations Global Compact (UNGC) violation checks where company reporting is sparse

*The SFDR also requires indicators for Supranational and Real Estate; however, these asset classes are not currently covered by FactSet

Weights							
31-MAR-2021 - 31-DEC-2021 Economic Sector - GICS --							
	General		1. GHG Emissions			2. Carbon Foot...	
	# of Securities	Port. Weight	Scope 1 Emissions ↓	Scope 2 Emissions	Scope 3 Emissions	Scope 1,2,3...	Carbon Footprint
[-] Total	451	100.00	486,858,72...	94,210,446...	3,634,17...	4,215,249,0...	454.19
[-] Materials	40	8.11	210,734,626...	49,582,592.92	631,587,0...	891,904,292...	96.23
[-] Utilities	25	4.31	114,819,877...	10,755,715.92	195,662,0...	321,237,646...	34.70
[-] Energy	13	4.53	113,402,843...	10,913,332.60	2,114,561...	2,238,877,99...	241.40
TotalEnergies SE	1	1.11	21,755,962.00	1,812,996.75	211,516.3...	235,085,264...	25.35
BP p.l.c.	1	0.82	20,855,820.00	1,900,530.38	163,845,7...	186,602,080...	20.12
Royal Dutch Shell Plc	1	0.80	20,515,746.00	2,930,821.00	767,875,1...	791,321,664...	85.29
Shell PLC Class B	1	0.70	18,338,872.00	2,619,838.75	686,397,7...	707,356,480...	76.22
Eni S.p.A.	1	0.30	14,467,120.00	279,687.44	78,848,87...	93,595,680.00	10.11
Repsol SA	1	0.17	10,395,764.00	189,013.88	74,187,94...	84,772,720.00	9.15
Equinor ASA	1	0.21	2,644,546.00	520,650.06	50,951,82...	54,117,020.00	5.83
OMV AG	1	0.08	2,081,859.75	58,369.90	45,859,28...	47,999,512.00	5.17
Neste Corporation	1	0.22	1,062,337.13	349,952.94	23,036,98...	24,449,272.00	2.66
Galp Energia, SGPS S...	1	0.05	760,622.88	10,324.29	11,531,18...	12,302,127.00	1.36
Tenaris S.A.	1	0.05	471,598.56	180,933.78	510,126.81	1,162,659.25	0.12
Royal Vopak NV	1	0.02	70,126.84	80,284.28	949.23	151,360.34	0.02
Aker BP ASA	1	0.01	--	--	--	--	--
[-] Industrials	83	15.03	21,877,295.93	3,971,452.44	192,748,7...	218,597,454...	23.32
[-] Consumer Staples	39	12.81	16,302,982.35	6,285,993.34	161,334,5...	183,923,535...	19.63
[-] Consumer Discretionary	48	11.09	3,751,524.24	5,348,367.02	264,678,3...	273,778,286...	29.54
[-] Health Care	45	14.67	3,771,830.89	3,029,461.17	19,742,21...	26,543,508.98	2.85
[-] Information Technology	25	8.36	738,438.14	1,396,434.55	38,517,53...	40,652,406.10	4.39
[-] Communication Services	33	3.81	485,667.25	1,942,899.75	7,824,867...	10,253,434.82	1.11
[-] Financials	78	15.81	421,292.47	515,923.99	6,132,349...	7,069,566.41	0.76
[-] Real Estate	14	1.30	375,223.61	339,963.82	1,364,254...	2,079,441.80	0.23

Full SFDR Reporting Capabilities

Leverage customizable SFDR Annex templates aligned to the regulatory technical standards to streamline your reporting. Audit report components with direct links to the underlying portfolio analytics calculations. Generate PDF outputs for all SFDR Annexes, highlighted by client-supplied narrative disclosures and quantitative sustainability disclosures. Utilize PAI & Periodic report components in generating the EET.

Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact ¹ (year 2022)	Impact ² (year 2021)	Explanation ³	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	1. Greenhouse gas emissions	Scope 1 GHG emissions	3,632.73	NA NA	FactSet Asset Management (FAM) is committed to achieving net zero carbon emissions by 2040. The milestones include 50% reduction by 2030 and 100% by 2040, well before the 2050 target date. This will include 100% of client mandates by 2040.
		Scope 2 GHG emissions	817.27	NA NA	FactSet Asset Management (FAM) is committed to achieving net zero carbon emissions by 2040. The milestones include 50% reduction by 2030 and 100% by 2040, well before the 2050 target date. This will include 100% of client mandates by 2040.

1. FactSet Asset Management has started measuring performance on Principal Adverse Impact as of 31 March 2022. The first results will be published in 2023.
 2. FactSet Asset Management has started measuring performance on Principal Adverse Impact as of 31 March 2022. The first results will be published in 2023, 2024 will be the first year reflecting a comparison to a previous year.
 3. This column will provide an explanation on the development of the specific principal adverse impact indicator against the different reference periods, in relation to the actions taken.

SFDR Annex 1 Sample Report

Easily capture disclosures and track version changes with Narrative Manager, as shown below on the left.

Narrative Manager

Search Group Notes or Sub-notes

Name	Actions	Date Modified	Documents
<input checked="" type="checkbox"/> Table1_Action_Metric_1_2		12 Jan '23 01:46 PM	SFDR Annex I Report
<input type="checkbox"/> Table1_Action_Metric_1_3		12 Jan '23 01:46 PM	SFDR Annex I Report
<input type="checkbox"/> Table1_Action_Metric_1_4		12 Jan '23 01:46 PM	SFDR Annex I Report
<input type="checkbox"/> Table1_Action_Metric_2_1		12 Jan '23 01:46 PM	SFDR Annex I Report

Table1_Action_Metric_1_2

Content

FactSet Asset Management (FAM) is committed to achieving net zero carbon emissions by 2040. The milestones include 50% reduction by 2030 and 100% by 2040, well before the 2050 target date. This will include 100% of client mandates by 2040.

Documents (1)
SFDR Annex I Report

Product Name: Test Fund **Legal Entity Identifier:** Test ID

Environmental and / or social characteristics

Did this financial product have a sustainable investment objective?

Yes No

<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 75% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promotes the following environmental and/or social characteristics:

- Reduce exposure to transition and physical climate risks by excluding investments in:
 - companies with any tie to fossil fuels; and
 - companies in certain other energy intensive sectors.
- Incorporating the Task Force on Climate-related Financial Disclosures recommendations The Fund considers social characteristics by applying binding exclusions on:
 - companies whose core business activity involves weapons or civilian firearms; and
 - that have any tie to controversial weapons.

The Fund will measure these areas using the following PAIs: 3. GHG Intensity of Investee Companies, 4. Exposure to companies active in the fossil fuel sector and 14. Exposure to controversial weapons

SFDR Annex IV Sample Report