

## Sustainable investing and transparency

In 2018, the European Commission unveiled an action plan for financing sustainable growth: The EUAP (European Action Plan on Sustainable Finance). As a part of the EUAP, the European Union has issued a series of regulations requiring financial market participants to provide transparency about how they integrate sustainability factors into their investment processes at the product and entity level.

In this context, sustainability factors have to be considered from two perspectives:

- a. Impact on the value of the investment.  
A sustainability risk is considered to be an environmental, social or governance event or condition that, if it occurs, could have an actual or potential material negative impact on the value of an investment.
- b. Impact of an investment decision that could have negative effects on sustainability factors. This is what the regulation calls the 'Principal Adverse Sustainability Impact' of the investment decision (PASI).

We explicitly support the measures set out in the EUAP to create greater transparency about how sustainability factors are considered in investment processes.

### **Our responsibility as an active investment manager**

As a globally active investment manager, we recognize that we have a responsibility towards our stakeholders to play an active role in the sustainable transformation of the economy and society for the benefit of future gen-

erations. We therefore want to engage in a dialogue with our clients about the challenges that lie ahead and to show them how this transformation process is creating unique opportunities for investors.

Our goal is to invest exclusively in well-managed companies for our institutional and private clients. This means that we identify and analyze material sustainability risks in our investment decisions. We offer dedicated investment solutions that focus on companies whose products and services are designed to tackle the most pressing problems of our time, such as resource scarcity and climate change.

### **Principle Adverse Sustainability Impact statement**

At the entity level, we consider the principal adverse impacts on sustainability factors that our investment decisions could have. This means that we take account of principal adverse impacts on sustainability factors according to their materiality and type, as well as the nature of our investment products and solutions.

The factors that Vontobel considers at entity level address the level 1 expectations of Regulation (EU) 2019/2088. In the course of 2021, Vontobel will evaluate how subsequent regulatory technical standards (RTS) can be integrated into its approach.

Further details about PAI and how we address and manage sustainability risks can be found here:

→ [Link](#)