Effective SFDR compliance relies on accurate ESG information from investee companies and manufacturers of financial products. With SIX, you can access high quality SFDR-related ESG data, enabling you to fulfil your disclosure obligations easily and transparently.

The Data Challenge
From March 10, 2021, financial market participants in the EU, providing sustainability-related investment services, are required to comply with the new Sustainable Finance Disclosure Regulation (SFDR), which is being phased-in. SFDR is part of the EU Action Plan on Sustainable Finance (EU AP) which serves the goals to reorient capital flows towards sustainable investments, manage financial risks from climate change, environmental degradation and social issues, and foster transparency. It introduces a set of requirements for more transparent disclosure of sustainability metrics at entity and product level and will lead to better comparability and prevention of greenwashing.

Manufacturers of financial products and investment firms have to provide periodic reports, website and pre-contractual disclosures at entity level as well as for investment products with environmental or social characteristics and for sustainable investments. Alternatively, they have to provide a statement that the principle adverse impacts (PAI) of investment decisions on sustainability factors are not considered and the reasons therefore. By contrast, issuers of equity and debt instruments (‘investee companies’) are expected to disclose on the relevant ESG factors to allow investors and manufacturers of financial products to support their investment decisions. However, this is not mandatory for investee companies under SFDR. As a result, missing data, lack of granularity and the need to source ESG data from a wide range of providers and issuers pose a great challenge for manufacturers of financial products and investment firms in order to disclose accurately and efficiently. Thus, there is a need for high quality, aggregated ESG data sourced from one provider that can be used in the back, middle and front office of financial services firms.

The SIX Solution
SIX supports clients in their compliance efforts with a data offering that addresses these SFDR requirements and challenges. The Final Report on draft Regulatory Technical Standards from 2 February 2021 defines 64 data attributes that will need to be sourced from investee companies and manufacturers of financial products and disclosed to investors under SFDR. SIX sources the required data accordingly and maps it to the respective companies as well as to the underlying ISINs (if appropriate), while also leveraging already existing regulatory offerings and our well known high quality reference data. With our data service for SFDR-related data, manufacturers of financial products and investment firms can rely on complete, clean, enriched, high quality data to disclose more easily and accurately.

In addition, as of mid-April, SIX delivers the first SFDR data under the MiFID II Investor Protection dataset. This information is sourced from product manufacturers and is used to identify financial instruments (SFDR Article 8 and 9 products) suitable for investors having sustainability preferences.
**EU SFDR - Planned Data Flow**

**Key Benefits**

Our SFDR data

- Is based on SIX’s proven regulatory data competence and leverages our renowned reference data, so you can easily stay compliant with complete, clean, enriched, high quality data.
- Reduces the complexity of disclosure with one reliable data source to cover your SFDR data needs.
- Includes investee company, product manufacturer and financial instrument data.
- Frees up internal resources to tackle other priorities.

**Timeline - SFDR**

<table>
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<tr>
<th>Regulation</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tbody>
<tr>
<td>Adoption of SFDR Regulation (EU) 2019/2088</td>
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<td>27 Nov 2019</td>
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<td>Level 1 regulation enters into force: Entity level and product-level website and pre-contractual disclosures</td>
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<td>10 Mar 2021</td>
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<td>2 Feb 2021 Final report on draft RTS from ESAs</td>
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<td>Level 2 regulation enters into force: Entity (PAI) and product-level (Art. 8 &amp; 9, documents) periodic disclosures</td>
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<td>1 Jan 2022</td>
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<td>30 June 2023 By 30 June each year disclosure on entity and product level for reference period previous calendar year</td>
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**Investee companies**

Companies issuing equity or debt instruments

**Not mandatory to disclose under SFDR**

**Issuer level**

- Climate and other environment-related indicators
- Social and employee, human rights, anti-corruption and anti-bribery matters

**Manufacturers of financial products**

(UCITS funds, AIFs, Pension and Insurance-based investment products)

**Investment firms**

Providing portfolio management (as defined in MiFID II)

**Website and pre-contractual disclosures and periodic reports**

at entity level and for investment products with environmental or social characteristics and for sustainable investments

or

A statement that the adverse impacts of investment decisions on sustainability factors are not considered.

**Why You Can Rely on Us and This Service**

SIX has long-lasting expertise and an excellent reputation in implementing regulatory data within given time-frames, e.g. MiFID II and PRIIP. You can receive this data through the same delivery channels as our reference, corporate actions, regulatory and tax data and much more.

Please contact: www.six-group.com/contact

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