



**SIF BANAT-CRIȘANA**

# TRANSPARENCY OF ADVERSE SUSTAINABILITY IMPACTS AT ENTITY LEVEL

---

Statement prepared in accordance with the provisions of art. 4 (1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

REGULATION (EU) 2019/2088 of the European Parliament lays down harmonised rules for financial market participants and financial advisers on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect to financial products.

Principal adverse impacts should be understood as those impacts of investment decisions that result in negative effects on sustainability factors.

In the investment decision-making process, SIF Banat-Crișana acknowledges that the global sustainability challenges, including climate change, resource scarcity and human rights, are critical and need to be addressed.

To provide long-term value to the investments made, SIF Banat-Crișana analyses the sustainability risk of issuers concerning the criteria applied to determine whether an economic activity qualifies as sustainable and contributes substantially to one or more of the sustainability objectives.

SIF Banat-Crișana does not currently consider the potential negative effects of investment decisions on sustainability factors, as this process is described in EU Regulation 2088/2019, for the following reasons:

- The requirements to be met by the financial market participants, formulated by EU Regulation 2088/2019 (SFDR - Sustainable Finance Disclosure Regulation) and supplemented by EU Regulation 852/2020 on establishing a framework to facilitate sustainable investment, cover only environmental issues and not social issues and labour or governance matters. The technical standards related to the application of the respective regulations are in the project phase with a term of elaboration at the end of 2021;
- Data and information on issuers or financial products classified as sustainable are limited and non-uniform;
- The complexity of the requirements formulated by the published regulations and in the draft technical standards requires additional time for the adequacy of the sustainability risk analysis and reporting processes.

Understanding the importance of ESG (Environmental, Social, and Governance) factors and their long-term impact, SIF Banat-Crișana will consider that, depending on the clarification of the above-mentioned matters, to analyse and decide on the consideration of the negative effects of investment decisions on the sustainability factors, informing the investors on any new concrete steps taken in this regard.