

# Principal adverse sustainability impacts indicators

**July 2021**

Selection of principal adverse impact indicators as per final draft Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures pursuant to Article 2a(3), Article 4(6) and (7), Article 8(3), Article 9(5), Article 10(2) and Article 11(4) of Regulation (EU) 2019/2088

## Table of Contents

|  |   |
|--|---|
| 1. Purpose and scope .....   | 3 |
| 2. Introduction .....  | 3 |
| 3. Mandatory indicators .....  | 3 |
| 4. Optional indicators .....   | 3 |
| 4.1 Additional climate and other environment-related indicators .....  | 3 |
| 4.2 Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters..... | 3 |

## 1 Purpose and scope

For CapitalatWork, following the decision of taking into account principal adverse impacts on sustainability factors, the objective of this document is to summarize the selection of optional indicators with respect to the principal adverse impacts of investment decisions on sustainability factors required as per Article 4 of SFDR by 30 June 2021.

This document follows the requirements of Chapter II Section I Article 6 paragraph 1 (b) and (c) of the final draft Regulatory Technical Standards dated 2nd February 2021.

## 2. Introduction

The final draft Regulatory Technical Standards include CHAPTER II ("TRANSPARENCY OF ADVERSE SUSTAINABILITY IMPACTS") include the election of a minimum of 2 optional indicators as described in Article 6 ("Description of principal adverse sustainability impacts Section"):

The section referred to in point (b) of Article 4(2) shall contain a description for the reference period of adverse impacts of investment decisions of the financial market participant on sustainability factors that qualify as principal, including:

- (a) the indicators related to principal adverse impacts on sustainability factors as set out in Table 1 of Annex I;
- (b) at least one additional indicator related to principal adverse impacts on a climate or other environment related sustainability factor that qualifies as principal as set out in Table 2 of Annex I;
- (c) at least one additional indicator related to principal adverse impacts on a social, employee, human rights, anti-corruption or anti-bribery sustainability factor that qualifies as principal as set out in Table 3 of Annex I; and (d) any other indicators used

to identify and assess additional principal adverse impacts on a sustainability factor.

## 3. Mandatory indicators

CapitalatWork is collecting this information on a best-effort basis for mandatory indicators specified in Table 1 of Annex I of final draft RTS.

## 4. Optional indicators

CapitalatWork is collecting this information on a best-effort basis for optional indicators selected from Table 2 and Table 3 of Annex I of final draft RTS.

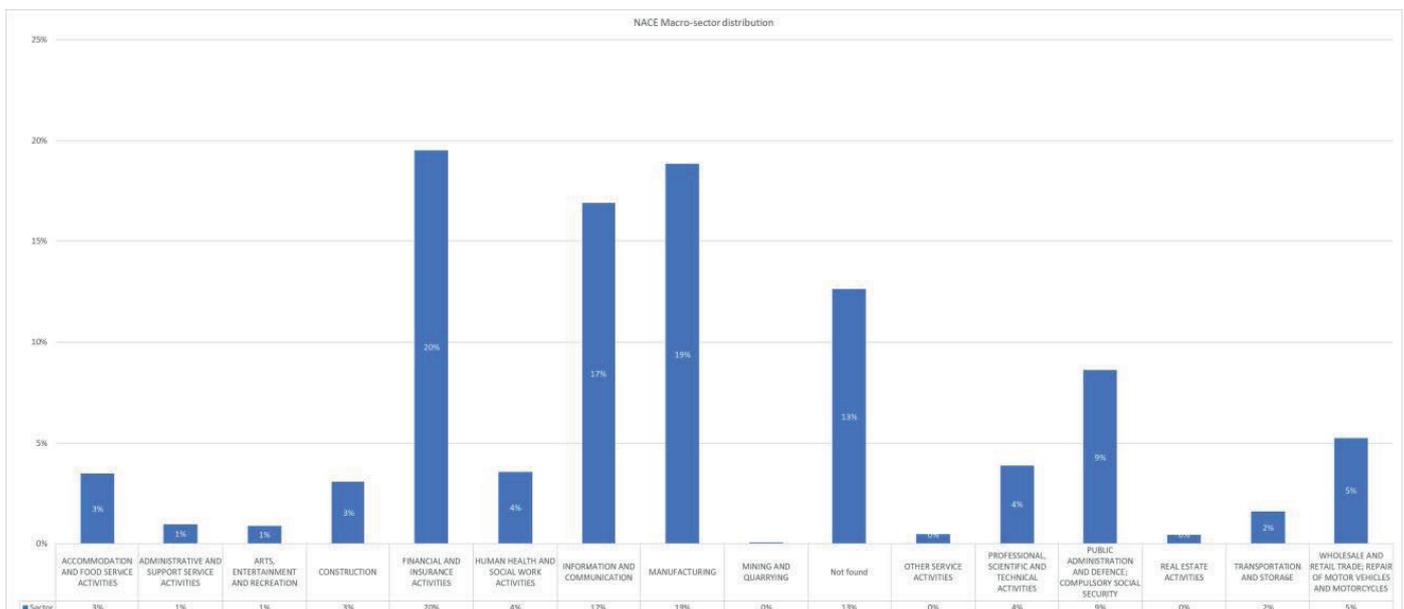
### 4.1 Additional climate and other environment-related indicators

Following Chapter II Section 1 Article 6 paragraph 1 (b) of final draft RTS, CapitalatWork selected one additional indicator related to principal adverse impacts on a climate or other environment related sustainability factor that qualifies as principal as set out in Table 2 of Annex I.

The indicator selected is:

#4. Investments in companies without carbon emission reduction initiatives (Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement).

This indicator is relevant as CatW invests in NACE macro-sectors linked to a potential substantial contribution to the Climate Change Mitigation and Climate Change Adaptation Objectives as per the EU Taxonomy (EU Regulation 2020/852) as indicated in the distribution setup below.



## **4.2 Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters**

Following Chapter II Section 1 Article 6 paragraph 1 (c) of final draft RTS, CapitalatWork selected one additional indicator related to principal adverse impacts on social and employee, respect for human rights, anti-corruption and anti-bribery matters that qualifies as principal as set out in Table 3 of Annex I.

The indicator selected is:

# 1. Investments in companies without workplace accident prevention policies (Share of investments in investee companies without a workplace accident prevention policy). This indicator is linked to CapitalatWork's concern for Employee Health & Safety and the importance of monitoring the principal adverse impacts linked to Employee Health & Safety matters, where the existence of workplace accident prevention policies is key to ensure adequate working conditions.

CapitalatWork is conscious of the importance of the quality of the working environment and relies on the OECD Guidelines

on Measuring the Quality of the Working Environment (OECD 2017) :

*" The case for looking at the quality of the working environment as a critical aspect of people's conditions is straightforward. Indeed, work is of fundamental importance for the well-being of workers. Policy demand for this type of data is already high and set to increase further in the near future. One of the goals of the 2030 Agenda agreed by the UN General Assembly in September 2015 is to "Promote inclusive and sustainable economic growth, employment and decent work for all" (Goal 8), with more specific targets to "achieve full and productive employment and decent work for all", "protect labour rights and promote safe and secure working environments for all workers", and "eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour."*

Consequently, CapitalatWork decided to monitor the indicator "Investments in companies without workplace accident prevention policies " as it could be considered to directly impact the quality of working conditions.