

No consideration of adverse impacts of investment decisions on sustainability factors

Scope:	DPAS
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The consideration of principal adverse impacts will be reassessed as soon as DPAS considers the data from investee companies to be sufficiently relevant to investors. The regulation CSRD should help fill current gaps. This statement will be revised once more transparent information is available..... **Error! Bookmark not defined.**

1. Regulatory context

Under Article 4 of the 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, Financial market participants shall publish and maintain on their website if they do or if they do not consider adverse impacts.

Article 4 (b) further states the if adverse impacts of investment decisions on sustainability factors are not considered, it must be clearly stated why those adverse impacts are not considered and if the Financial market participants intends to consider them.

2. Scope of application

Degroof Petercam Asset Services (“DPAS”) acts as Alternative Investment Fund Manager and Management Company under chapter 15 of the Law of 17 December 2010 concerning Undertakings for Collective Investments.

DPAS is a subsidiary of Banque Degroof Petercam Luxembourg, part of Belgium’s premier independent private and investment bank named Bank Degroof Petercam (“The Group”). Being part of a larger Group, DPAS does not have a derogation under SFDR Article 4. The PAI of DPAS should be reported at the Group level.

DPAS delegates most investment decisions to third-party managers which may apply different investment strategies with different approaches on the integration of sustainability. DPAS aims to engage with clients to enhance their practices towards ESG integration.

3. Statement on adverse impacts

DPAS does not consider adverse impact of investment decisions on sustainability factors

4. Sustainability at DPAS

DPAS has built a Global Sustainable Investment Policy to determine how to interpret sustainability in the management of funds. A policy on Principal adverse impacts has also been published. Those policies are available on DPAS' website: www.dpas.lu

The first FMP statement for the Principal Adverse Impacts under SFDR RTS are expected to be published from 30th June 2023.

5. Why adverse impacts of investment decisions are not considered

The integration of Principal Adverse Impacts in investment decisions is not yet considered to be relevant enough at this stage. The lack of data by investee companies and the poor reliability of estimates from third-party data providers make it difficult for asset managers to fully integrate those impacts into their investment decision, at least at this stage.

Furthermore, DPAS provides asset services and delegates the management to different managers which do not have a similar approach towards sustainability or ESG matters. It is therefore difficult to establish a minimum of consideration for the principal adverse impact at this stage that could be applied to all funds within DPAS. Nevertheless, DPAS welcomes initiatives from delegated managers to integrate the adverse impacts into their investment decision process.

6. Review of the Statement on PAI

The consideration of principal adverse impacts will be reassessed as soon as DPAS considers the data from investee companies to be sufficiently relevant to investors. The regulation CSRD should help fill current gaps. This statement will be revised once more transparent information is available.

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