



EFG BANK

No consideration of Principal Adverse Impact

In accordance with art 4 of EU Regulation 2019/2088

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Introduction

The Sustainable Finance Disclosure Regulation (SFDR), Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019, requires EFG to make a “comply or explain” decision whether to consider the principal adverse impacts (“PAI”) of its investment decisions on sustainability factors and in its investment advice, in accordance with a specific regime outlined in SFDR.

PAIs are described as impacts that result, or might result, in negative effects on sustainability factors, such as social and employee matters, respect for human rights, anti-corruption or anti-bribery matters.

Opt-out on considering PAI at entity level

EFG carefully evaluated the requirements of the PAI regime under Article 4 of the SFDR and decided not to consider the adverse impacts of investment decisions on sustainability factors at entity level and in its investment advice. If EFG considers PAI on a product level it will explicitly disclose the manner of consideration in its product specific disclosures.

On the one hand, EFG is supportive of the policy aims of the PAI regime to improve transparency to clients, but on the other hand EFG is aware that, considering the scale of its activities and the types of products, it would be challenging to comply with the specific regime of the SFDR.

EFG also believes that some of its investment strategies and investment advice cannot currently support the adoption of the PAI regime, as these strategies involve underlying securities or products where it is impossible to conduct a detailed due diligence on the adverse sustainability impact.

Finally, EFG is concerned about the current lack of readily available data to comply with the reporting requirements of the PAI Statement as companies and market data providers are not yet ready to make all necessary data available.

EFG will revisit on at least a yearly basis its decision not to comply with the PAI regime on entity level and reserves the right to change its position in the future.

Our approach

Despite EFG’s decision not to comply with the PAI regime and as part of its overall commitment to ESG matters, EFG has implemented positive ESG-related initiatives and policies. Our ESG Promotion Policy is available on our website at:

<https://www.efginternational.com/doc/jcr:164f8a55-2200-45c7-b895-40c098e77344/lang:en/EFGAM%20Art.10%20-%20ESG%20Promotion%20Policy.pdf>