

Have you integrated sustainability risks in your governance processes?

What do I need to know?

The board of directors of the financial market participant is ultimately responsible if:

- The investment product does not meet sustainability criteria promised to its investors;
- Regulatory requirements are not met.



Why is this important for me?

Going forward, investment fund managers must consider sustainability risks when:

- Establishing an organisational structure and decision-making procedures Ensuring relevant individuals are aware of the procedures
- Establishing internal control mechanisms designed to secure compliance with decisions and procedures
- Establishing internal reporting and communication of information at all relevant levels of the IFM as well as with any third party involved
- Maintaining adequate and orderly records of their business and internal organisation



What should I do?

The board will be liable if it has not taken reasonable measures that a prudent and diligent board would have taken in the same circumstances

Did I update my investment decision-making process in order to integrate sustainability risks?

Which due diligence policies am I implementing when considering the principal adverse impacts of my investment decisions on sustainability factors?

Has my remuneration policy been updated for the purpose of integrating sustainability risks?

Which methodologies have I implemented to assess, measure and monitor the environmental or social characteristics of your investment products?

Arendt Corporate Governance Centre - How can we help you ?

A sound corporate governance framework is a key element for efficient management and control and the long-term success of companies. Optimise your activity with a comprehensive set of solutions to deal with every aspect facing a board, be it legal, tax, regulatory or compliance.

Contact us: corpgov@arendt.com

