

# The solution you need to meet SFDR reporting requirements

With the Sustainable Finance Disclosure Regulation (SFDR) in force, asset managers are required to report on principal adverse impact (PAI) indicators for their portfolios and funds.

The screenshot displays the SFDR reporting interface. On the left, a tree view shows categories of indicators such as M1 - Total GHG emissions, M2 - Carbon footprint, and M6 - Energy consumption intensity per high impact climate sector. The main table lists these indicators with columns for Category, Compulsory status, Coverage, Total, and Units. For example, M1.1 - Scope 1 GHG emissions has a coverage of 100.00% and a total of 7.75 tons CO2e.

Below the main table, a detailed view of a Principal Adverse Sustainability Impacts Statement is shown. It includes a summary and a table of indicators applicable to investments in investee companies. The table has columns for Adverse sustainability indicator, Metric, Impact [year n], Explanation, and Actions taken.

Adverse sustainability indicator	Metric	Impact [year n]	Explanation	Actions taken
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>				
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	7,746,556 tons CO2e	
		Scope 2 GHG emissions	3,531,869,2 tons CO2e	
		Scope 3 GHG emissions	387,554,87 tons CO2e	
		Total GHG emissions	401,372,8 tons CO2e	
2. Carbon footprint	Carbon footprint	586,802,37 tons CO2e / EUR M invested		
3. GHG intensity of investee companies	GHG intensity of investee companies	764,238,04 tons CO2e / EUR M revenue		
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	16.67 %		

Asset managers are looking for the highest level of data coverage and a scalable solution to make reporting as efficient as possible. We have partnered with Clarity AI to deliver a solution to meet this need.

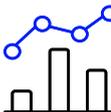
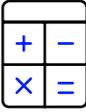
SFDR Reporting Professional powered by Clarity AI allows you to create ready-to-use SFDR reports at scale via API for compliance purposes.

SFDR Reporting Professional powered by Clarity AI is a dedicated SFDR solution that combines LSEG ESG, Fundamentals and Sovereigns data with Clarity AI modelled and controversies data to provide unmatched coverage.

The tool covers both mandatory and optional SFDR PAIs for over 50,000 companies and creates an easy path to accurate reporting, allowing you to:

- Save time and resources by directly downloading SFDR reports at the portfolio, entity and product level
- Report on the largest possible proportion of your portfolio with coverage of over 50,000 organisations
- Avoid compliance risks with our AI reliability processes and aligned methodology

**What you get with SFDR Reporting Professional Powered by Clarity AI**

 <p>Article 4 compliance entity and product level reporting</p>	 <p>Covering all mandatory PAIs for companies and sovereigns (16) and 4 optional PAIs</p>
 <p>Combination of LSEG's market-leading fundamental data and Clarity AI ESG analytics</p>	 <p>Ability to generate on demand quarterly and annual reports</p>
 <p>Coverage of 50,000 companies and sovereign data</p>	 <p>Comply with SFDR "Best efforts" approach considering 2-13x coverage of other providers thanks to advanced machine learning estimations models</p>
 <p>Ability to report on unlimited number of portfolios and constituents</p>	 <p>Daily updated data</p>

## About LSEG Data & Analytics

LSEG Data & Analytics, an LSEG business, is one of the world's largest providers of financial markets data and infrastructure. Operating across 190 countries we serve over 40,000 customers and 400,000 end users. LSEG Data & Analytics is an essential partner to the financial community, enabling customers to draw crucial insights through data, distribution technology, analytics and workflow solutions.

## About Clarity AI

Clarity AI is a sustainability technology platform that uses machine learning and big data to deliver environmental and social insights to investors, organizations, and consumers. As of December 2022, Clarity AI's platform analyzes more than 50,000 companies, 360,000 funds, 198 countries, and 199 local governments – 2-13 times more than any other player in the market – and delivers data and analytics for investing, corporate research, benchmarking, consumer ecommerce and reporting. Clarity AI has offices in North America, Europe, and the Middle East, and its client network manages tens of trillions in assets.