

Pre-contractual disclosures according to SFDR

Introduction

The following disclosure outlines how sustainability risks are considered in connection with the investment advice provided by the firm, in accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). It describes the manner in which sustainability risks are addressed within the advisory process and the firm's assessment of the potential impact of such risks on the returns of the financial instruments advised on.

Disclosures

SB1M notes that the availability, consistency and quality of information relating to sustainability risks remain limited, and that sustainability assessments and company scores are subject to methodological uncertainty and limited comparability. This makes it challenging to obtain sufficiently reliable and decision-relevant information for systematic use in investment advice at this stage. The firm expects data quality and comparability to improve over time and aims to strengthen its focus on the collection of information relating to sustainability risks and material adverse sustainability factors in line with the developments.

Integration of sustainability risks¹ and assessment of the likely impacts of sustainability risks on returns²

In the context of investment advice, sustainability risks are not assessed through a separate or dedicated methodology. Instead, risks that may include sustainability-related elements are considered where they are deemed financially material to the assessment of suitable financial instruments, without being explicitly labelled as sustainability or ESG risks. Such risk considerations are embedded within established financial risk categories and addressed through the firm's existing advisory framework, governance arrangements and internal policies.

Given the nature, scale and complexity of SB1M's advisory services, as well as the types of financial instruments on which advice is provided, which do not involve the selection or promotion of financial instruments based on sustainability characteristics, SB1M has assessed that sustainability risks are not relevant as a separate factor in its investment advice. Consequently, no separate assessment of the likely impacts of sustainability risks on returns is carried out in connection with investment advice.

¹ Pursuant to Article 6 (2)(a) of Regulation (EU) 2019/2088 (SFDR).

² Pursuant to Article 6(2)(b) of Regulation (EU) 2019/2088 (SFDR).