

Aligning with the Sustainable Finance Disclosure Regulation (SFDR)

Guiding sustainable and green investments

RAMBOLL

Who we are

About Ramboll

We are an independent engineering, architecture, and consultancy company founded in Denmark in 1945.

Across the world, Ramboll combines local experience with a global knowledge base to help create **sustainable businesses and societies**.

We combine insights with the power to drive positive change to our clients, in the form of ideas that can be realized and implemented.

We call it: [Bright ideas](#). [Sustainable change](#).



Global offices
in 35 countries



Employees



Global revenue, in 2020
across all markets

We work in multidisciplinary teams
across seven markets:



Buildings



Environment
& Health



Water



Management
Consulting



Energy



Transport



Architecture
& Landscape

We take pride in being a leading sustainable finance & SFDR consultancy powered by Ramboll's expert-led workforce



World Class Technical & Environmental Expertise

16,500 specialists globally across all sectors and all six Taxonomy environmental objectives including climate, water, biodiversity, circular economy and pollution prevention.



EU Policy Insight & Legal Specialists

Our Brussels office and our legal experts specialising in all policy and legalisation related to the EU Green Deal & SFDR, providing guidance to both the EU Commission and private sector clients.



Sustainable Economics & Finance Specialists

A specialist management consulting division bridging the finance and technical nexus with respect to EUs Sustainable Finance Strategy.



Social Sustainability

More than 100 social scientists and experts with extensive knowledge of social protection and diverse & inclusive societies, which is required to identify and define social value and risks within SFDR.



Global M&A Services

We merge our technical capabilities with ESG and business consulting expertise, to advise leading investors on acquisitions within key infrastructure sectors.

Context

The EU Green Deal consists of a series of objectives alongside a detailed roadmap to enable EU to reach net zero by 2050

The European Green Deal consists of a series of major proposals, objectives, and a detailed roadmap in order to achieve a Net Zero EU by 2050. The Deal entails:

- Strategies to cut **greenhouse gas emissions** by half of 1990 levels or more by the year 2030.
- Policies that ensure **economic growth is detached from an increased use of resources**.
- Guidelines on how to **reverse biodiversity loss**.
- A law that will direct the European Union towards **climate neutrality by 2050**.
- All these policies are supported by the **Just Transition Mechanism** and the **Sustainable Finance Strategy**. The Sustainable Finance Strategy aims to finance the sustainable transition, while the Just Transition Mechanism ensures this transition is just and inclusive.



To achieve the objectives set by the European Green Deal investment flows must be re-directed and sustained over time



EU Sustainable Finance Strategy

The new Sustainable Finance Strategy aims to support the financing of the transition to a sustainable economy by proposing action in four number of areas: transition finance, inclusiveness, resilience and contribution of the financial system and global ambition. Moreover, it encompasses numerous measures, including the expansion of the **EU Taxonomy Regulation**. In addition, the strategy proposes numerous measures aimed at implementing climate risk assessments to a higher degree, preventing greenwashing, and increasing the participation of investors.



EU Taxonomy

The EU Taxonomy Regulation **guides private investments** in various sectors to achieve the objectives outlined in the EU Green Deal.

This new regulation provides the first **uniform, credible and common language standard** which allows entities to align on their activities in order to transition to a low carbon, resilient and sustainable pathway forward.



NFRD & CSRD

The EU Taxonomy feeds into other recent EU legislations on sustainability reporting and disclosures such as the Corporate Sustainability Reporting Directive (CSRD).

The directives **requires large organisations** to disclose information on the way they operate and manage **social and environmental challenges**.



SFDR

The EU Taxonomy feeds into the Sustainable Finance Disclosures Regulation (SFDR) with its supplementing Regulatory Technical Standards (RTS). The regulation sets disclosure requirements which apply to all **financial market participants and advisors offering financial products** within the EU.

It aims to improve transparency on sustainability claims in the market for sustainable investment products as well as works to prevent greenwashing.

The Sustainable Finance Disclosure Regulation (SFDR) Explained

What is the EU Sustainable Finance Disclosure Regulation (SFDR)?

Objective

The SFDR applies to asset managers, owners, financial advisors and other financial market participants (FMPs)* whom offer financial products within the EU.

The regulation sets certain requirements on transparency and disclosure of ESG and sustainability efforts.

Two “levels” of Regulation

The first level, ‘Level 1’ is the [primary SFDR regulation](#), whereas Level 2 entails [Regulatory Technical Standards \(RTS\)](#) and any amending [Commission Delegated Regulations \(CDR\)](#) to it.

In short, the SFDR Level 1 sets out the framework of the regulation and what is required to disclose, while Level 2 details the specific contents of and templates for the disclosure.

Both Entity & Product Disclosure Required

The SFDR differentiates between disclosures required on entity v.s product level. On the entity level, FMPs are, amongst others, required to report on sustainability risk policy, integration of sustainability risks into investment decisions and consideration and reporting of the PAIs**. On the product level, reporting requirements depend on whether the financial product promotes any environmental or social characteristics (Article 8) or whether it has sustainability as its objective (Article 9).

Notes:

* For full list of FMPs within the scope of the regulation, see Article 1 of the SFDR.

** Principal Adverse Impact Indicators.

How to assess which financial product category applies as defined in the SFDR

Does my financial product classify as an Article 6, 8 or 9?



Does the financial product invest in a wide range of underlying assets, provided these underlying assets **qualify at all times** as “sustainable investments”?



Article 9
Has sustainability as an objective

Financial products that have sustainable investment as its objective or a reduction in carbon emissions as its objective.



Are environmental or social characteristics of the financial product being promoted in precontractual or periodic documents, in the product name or in **any marketing communication** about their investment strategy, financial product standards, etc.?



Article 8
Promotes E & S characteristics

Financial products which promote, among other characteristics, environmental or social characteristics, or a combination of both.



Is the financial product neither **promoting environmental and social characteristics** (Article 8), nor having a **sustainable investment** as its objective (Article 9), but integrates sustainability-related risk?



Article 6
All financial products

A financial product where sustainability risks are to be integrated into investment decisions.

Requirements for Article 8 and Article 9 products require knowledge of the following key concepts

Key concepts*	Article 8 - Promote ESG	Article 9 - Sustainable objective
Description	Funds that promote, among other characteristics, environmental or social characteristics, or a combination	Funds that have sustainable investment as its objective or a reduction in carbon emissions as its objective
Environmental and Social Characteristics	% of investments that follow the E&S characteristics. This can range from 0 to 100% and requires supporting indicators	N/A
Sustainable Investments	% of investments that qualify as sustainable investments. Can range from 0 to 100% and requires supporting indicators, in case of sustainable investments	% of investments that qualify as sustainable investments. This need to be 100% (excl. hedging), requires supporting indicators
EU Taxonomy	Report on % of aligned assets	Report on % of aligned assets
Principle Adverse Impacts (PAI) product level	Report whether the PAIs are considered	Must explain how PAIs are taken into account
OECD guidelines and UNGPs**	Only for sustainable investments	Investments must be aligned with the OECD Guidelines and the UNGPs
Good Governance	Sustainable investments or investments that have E/S characteristics need to follow Good Governance	Sustainable investments need to follow Good Governance
Benchmark	Index can be designated as a reference benchmark, incl. information on whether and how this index is consistent with the characteristics that the product promotes	Index can be designated as a reference benchmark and should demonstrate that the design of the designated index is appropriate to deliver the sustainable investment objective

Notes:

* They key concepts of sustainable investments, EU Taxonomy, PAI, Benchmarks and OECD guidelines and UNGPs are covered on the following slides

** OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights

For an investment to qualify as a “sustainable investment” it needs to fulfil 3 main elements



Sustainable investment

An Article 9 product must have 100% sustainable investments (excl. cash and assets used for hedging purposes) and Article 8 may have sustainable investments.

A sustainable investment must:

1. Contribute to a sustainable objective
2. Do no significant harm
3. Follow good governance.

1. Contributes to a sustainable objective

The investment must contribute to the sustainable objective that is set for the financial product. To indicate whether the product meets the sustainable investment objective sustainability indicators must be specified. Moreover, an index can be used a designated reference benchmark.

A sustainable objective can be defined as:

- 1. Taxonomy-aligned:** The environmental objective can be defined as investments in environmentally sustainable economic activities as outlined by the EU Taxonomy.
- 2. Other environmental objective:** Any other environmental objectives can be defined for the financial product. It is crucial that the sustainability indicators are set to indicate when an objective is obtained.
- 3. Social objective:** The FMP can also set a social objective for its financial product. Again, sustainability (social) indicators must be defined to demonstrate the attainment of the objective.

2. Does no significant harm

The investment must do no significant harm to other sustainability objectives. This should be demonstrated through the consideration of PAI indicators and alignment with the OECD Guidelines and the UNGPs*.

The definition of when an investment does significant harm to the environment and society should be based on the consideration of PAI indicators. For example, the FMP can set thresholds for identified indicators based on market standards and best practice which indicate whether the investment has any adverse impacts and is therefore doing harm. Furthermore, it should be demonstrated that the investments are in line with the OECD Guidelines and the UNGPs*.

3. Follows good governance

The investment must follow principles of good governance.

Following good governance includes sound management structures, employee relations, remuneration of staff and tax compliance. This can be demonstrated through the use of reference frameworks, such as UN Global Compact, OECD or ILO principles.

Notes:

* OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights

Driving SFDR
implementation across
the investment cycle

There are several key barriers to success when working with the SFDR that FMPs should be aware of



Regulation

Gaining comprehension of newly introduced regulation that undergoes continuous interpretation and updates by both market participants and legislative bodies.



Risk vs ambition

Carefully navigating binding sustainability ambitions while avoiding the risk of greenwashing and the legal, financial and reputational risk associated with it.



Define objective

Defining and formulating a singular objective for a diversified portfolio invested across various sectors. At the same time avoiding limitations to the investment universe with narrow objectives.



Social value

Identifying and managing social value (as objective or characteristics) and risk (as DNSH) is challenging due to immaturity of defining and measuring social factors from both a business and regulatory standpoint.



Action plan

Data availability on for example PAI prompts the question of how to utilize the collected information and take actionable steps. Considering the potential involvement of Scope 3, what would be the next steps?

Ramboll's services in reference to SFDR alignment across the whole investment cycle

Ramboll has developed a five-step approach to address the complexities of meeting all disclosure requirements (pre-contractual, periodic and website disclosures) under the SFDR.

Ramboll has a long-standing reputation and experience working within key sectors FMPs invest in and that are included in the EU Taxonomy.

We are able to help clients understand the implications of the regulation and use it strategically to identify risks and opportunities, attracting capital and allocating capital into sustainable activities.

- 01 SFDR interpretation, assessment & ambition setting**
Ramboll evaluates the existing investment portfolio and gauges the extent to which sustainability is taken into account. The findings from this baseline analysis serve as a foundation for formulating an SFDR strategy.
- 02 SFDR guidance at FMP entity level**
Ramboll provides specialist insight with respect to disclosure requirements at entity level and guidance with relates to integrating sustainability risks into FMP investment decisions.
- 03 SFDR Strategy development for financial products (article 8 & 9)**
Ramboll uses the disclosure templates (Annex II and Annex III) as a basis for the strategy development to ensure all relevant disclosure requirements are addressed.
- 04 Integrating SFDR requirements across the investment cycle**
Ramboll provides services at each stage from SFDR due diligence in the acquisition phase, developing and implementing sustainability improvements in the holding period and highlighting sustainability achievements in the exit phase.
- 05 SFDR alignment of investee companies**
Ramboll supports FMPs to act as proactive catalysts, guiding their investee companies towards alignment with the sustainability requirements linked to the financial product.

SFDR interpretation, assessment & ambition setting

In order to effectively incorporate SFDR requirements into FMP's current investment strategies, policies, and procedures, Ramboll initiates the process by collaboratively establishing a status-quo of portfolio and investment strategies with the FMP. Ramboll evaluates the existing investment portfolio and gauges the extent to which sustainability is taken into account. The findings from this baseline analysis serve as a foundation for formulating an SFDR strategy.

Our approach entails:

Gap assessment of existing financial product(s) against SFDR requirements

- Conducting a review of the existing fund's strategy, investment objectives and indicators, asset allocation, sustainability-related investment framework and processes to identify potential gaps and build on existing efforts to achieve future sustainability objectives
- In-depth analysis of the competitive landscape surrounding SFDR compliance. Assessing how competitors are adapting to SFDR requirements, identifying emerging trends, etc.

Portfolio Composition Analysis

- Analysis of the size of portfolio companies/assets, evaluating the holding period of investments and distribution of sectors in the portfolio to assess diversification and exposure to various industries
- Assessing the current asset allocation of the financial product to inform and adjust sustainability ambition levels.

Investment Strategy Review

- Conducting a deep-dive analysis of the fund's investment strategy, evaluating financial returns and performance metrics, assessing risk management strategies, reviewing the integration of sustainability frameworks.

Meeting Limited Partner (LP) expectations

- Understanding the expectations of LPs with regards to an ESG integration and performance, developing strategies to align the fund's ESG practices with the preferences and goals of LPs.

Output

- Comprehensive report or workshop material with main insights and takeaways with regards to SFDR requirements which are relevant to the FMP
- Assessment of competitors and how the FMP performs in relation to them
- Extensive review of existing material to define sustainability ambitions
- Sustainability materiality assessment to inform, at a later stage, the SFDR sustainability characteristics or objectives

SFDR guidance at FMP entity level

FMPs need to be aware that disclosure requirements are not only set at financial product level but also at entity level. Irrespective of the fund categorization (Article 6,8,9), FMPs need to provide a statement on the integration of sustainability risks into their investment decisions. Furthermore, it is required at entity level to have policies and procedures in place for minimum safeguards and good governance.

Our approach entails:

Integration of Sustainability Risks

- Draft policies and guidelines for the integration of sustainability risks into the investment decision-making process
- Describe the processes and methodologies for identifying, measuring, mitigating, and monitoring sustainability risks
- Ensure that sustainability risks are captured, assessed, and managed alongside other financial and non-financial risks in the organization's risk management framework.

Principal Adverse Impacts Support

- Provide support and guidance in preparing and disclosing Principal Adverse Impacts (PAI) at the entity level
- Develop policies and guidelines for the identification and prioritization of PAIs
- Advise on engagement with investee companies on PAIs
- Set up a robust data collection system specifically tailored for PAI reporting or integrated into existing data collection systems.

UN Guiding Principles and OECD Guidelines Alignment

- Assess alignment of FMPs with the minimum safeguards and as such, the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for MNEs
- Fill the gaps related to minimum safeguards such as assisting in the development and drafting of responsible business conduct policies, supporting the establishment of a comprehensive human rights due diligence process.

Alignment with Good Governance principles

- Assess alignment of FMPs with good governance principles linked to the OECD Principles of Corporate Governance
- Assist in the development and drafting of comprehensive good governance policies that address key areas
- Develop frameworks and methodologies to measure and report on good governance indicators
- Develop monitoring frameworks to track and assess the organisation's adherence to good governance principles and policies.

Output

- Integration of sustainability risks into the FMPs risk management system through updates of risk management policies and procedures, due diligence policies, risk registers, etc.
- Understanding, identification and mitigation of PAIs relevant to the FMP to ensure alignment with the PAI disclosure requirements as set out by the SFDR
- Alignment with the UN Guiding Principles and OECD Guidelines in order to fulfil the do no significant harm requirements for sustainable investments under the SFDR
- Alignment with the good governance principles as set out in the SFDR to fulfil the requirements for Article 8 and 9 products.

SFDR strategy development for financial products (article 8 & 9)

Ramboll uses the disclosure templates (Annex II and Annex III) as a basis for the strategy development to ensure that all relevant disclosure requirements are addressed. Wherever technical, commercial or ESG knowledge is required, Ramboll professionals provide the required expertise. As Article 8 and 9 funds pose the most stringent disclosure requirements due to their sustainability claims, our services are described for those specific SFDR fund categories.

Our approach entails:

SFDR financial product classification

- Depending upon initial assessment and overall fund ambition, Ramboll supports with deciding upon fund classification i.e. Article 6, 8 or 9.
- Regulatory and market analysis and peer comparison to guide decision with respect to classifying as an article 8 or an article 9 product
- Technological/asset type analysis to ensure that the asset type and product classification match.

Sustainable objective or E/S characteristics

- Develop sustainable investment objectives (Article 9) or define environmental/social characteristics of the fund (Article 8) depending on overall fund ambition and classification
- Define sustainable investment objective and characteristics that are achievable and aligned with overall ambition whilst meeting investor expectations.

Strategy development based on Article 8 / 9 requirements

- Assist in defining asset allocation
- Based upon planned allocation provide EU taxonomy guidance to guide investment decisions with respect to eligibility and “alignability” i.e. assessment of difficulty and complexity meeting Taxonomy requirements for relevant economic activities
- Define sustainability indicators, including determining relevance and applicability of benchmarks, for non-EU Taxonomy investments depending on sustainable investment objectives or E/S characteristics.

SFDR Disclosure

- Assist with completing SFDR disclosures (PAI Statements, pre-contractual and website disclosure, periodic reporting, etc.)
- Preparation of investor relations material.

Output

- Recommended asset allocation to fit the defined strategy & environmental/social characteristics
- SFDR-aligned strategy including targets, KPIs, gaps and roadmaps as well as targeted EU taxonomy alignment
- SFDR disclosures compliant with Regulatory Technical Standards (RTS)
- Comprehensive assessment and monitoring tools for ongoing alignment with commitments stated in the strategy and SFDR disclosure.

Integrating SFDR requirements into the investment cycle

Ramboll provides services at each stage from SFDR due diligence in the acquisition phase, developing and implementing sustainability improvements in the holding period and highlighting sustainability achievements in the exit phase. SFDR requirements provide a framework for incorporating sustainability considerations throughout the investment decision-making process.

Our approach entails:

Integration into Due Diligence Processes

- Guidance in updating existing due diligence policy to align with SFDR requirements
- Conducting due diligence on an investment case to assess the effectiveness of the updated due diligence policy and procedures
- Tracking and identifying data gaps throughout the deal cycle, including missing or incomplete information related to PAIs, taxonomy alignment potential, and the cost of turnaround. Develop strategies to address and fill data gaps.

Guiding and Strengthening Portfolio Management

- Assist in developing and implementing a post-acquisition strategy, including operational improvements and growth initiatives
- Develop a business plan/100-day improvement plan including identifying improvement areas, setting targets, and implementing initiatives to enhance sustainability practices and drive long-term growth while aligning on regulatory and market requirements
- Conduct regular sustainability reporting to meet regulatory requirements and to demonstrate to investors and other stakeholders that the target company is delivering on sustainability characteristics and/or objectives.

Exit Strategy Development

- Conduct a thorough review of the target company's sustainability performance, policies, and practices to assess its alignment with SFDR and other relevant sustainability frameworks
- Assess the impact of sustainability factors on potential exit strategies and the attractiveness of different buyer profiles
- Advise on strategies to position the target company as an attractive investment opportunity for sustainability-focused investors or buyers
- Ensure that sustainability considerations are adequately addressed in the transaction documentation and supporting the negotiation of sustainability-related terms and conditions.

Output

- A comprehensive investment guidebook that outlines the steps, templates, and procedures to be followed at each decision gate in the investment process, taking into account SFDR requirements
- Workshops and training sessions to educate staff, including investment managers, investor relations personnel and sustainability professionals on the contents and significance of the SFDR Investment Guide
- Templates and procedures that cover key aspects such as due diligence, risk assessment, impact measurement, taxonomy alignment, and reporting to support the overall SFDR strategy.

SFDR Alignment of Investee Companies

Ramboll supports FMPs to act as proactive catalysts, guiding their investee companies towards alignment with the sustainability requirements linked to the financial product. Ramboll's support entails identifying any existing gaps in the investees' current sustainability practices as well as providing dedicated services to address these shortcomings.

Our approach entails:

Gap Identification

- Conduct a thorough assessment of the investee company's current practices and identify any gaps or areas of non-compliance against the FMPs SFDR strategy and requirements.

Closing documents & engagement policies Support

- Support in defining ESG related contractual obligations and clauses to ensure that investee companies meet or will meet the SFDR requirements of the FMP
- Support the development of engagement policies, including targets, stating how the FMP addresses any shortcomings of their investee companies on the SFDR requirements.

Data collection and monitoring systems Development

- Provide guidance to the FMPs on collecting and monitoring investee company's data required for their SFDR reporting to ensure ongoing compliance. This includes periodic reviews, performance assessments, and updates to adapt to any regulatory changes.

Capacity building of investee companies

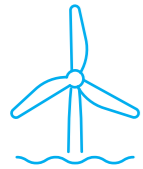
- Provide guidance documents and templates to support investee company's development of policies and procedures that align with SFDR requirements
- Provide training sessions and workshops to educate company employees about SFDR requirements, ESG concepts, and sustainable finance practices.

Output

- Comprehensive and robust system, encompassing contractual documents, policies, and diligent data collection practices, which ensure FMPs gather sufficient evidence to demonstrate compliance with SFDR requirements
- Capacity of investee companies strengthened with respect to understanding but also ESG performance and data collection and monitoring

SFDR expertise and
complementary
services

Ramboll's insights and depth of expertise in the following elements ensures successful SFDR alignment & disclosure



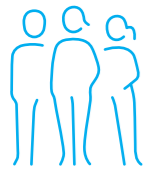
Technical Expertise

Ramboll has world class technical experts working across the globe to carry out in-depth and precise assessments of the technical aspects of investments. Our engineers work across a broad range of sectors and have a deep understanding of the technical elements that come into play in investment decisions.



Environment – Substantial Contribution & DSNH

Ramboll has over 2,000 environmental experts working across climate, biodiversity, water, circular economy and pollution. This expertise is integrated into setting fund objectives, KPI development and tracking as well as ensuring do no significant harm.



Social Sustainability & Minimum Safeguards

Our responsible business conduct & human rights team specialises in addressing minimum safeguards criteria as stipulates in both the SFDR and EU Taxonomy. Our experts also guide FMPs in social investing via setting social objectives and measurable indicators and targets.



Financial & Commercial Insight

We understand that return upon investment is still the overall objective of impact investing. Our management consultants have in-depth financials, economic and commercial expertise that we apply across the investment cycle ensuring our ESG guidance is built upon strong financial and commercial insight.



Strategy & Implementation

Ramboll offers a distinctive and comprehensive one-stop-shop value proposition, encompassing a diverse team of world-class engineers, business and sustainability consultants and experienced economists. This unique combination of expertise allows Ramboll to deliver holistic solutions that bridge the gap between technical excellence, financial acumen and sustainability thinking.



Reporting & Disclosure

The SFDR landscape is complex and ever-changing. Our legal and policy experts specialise in all aspects of sustainability compliance, reporting & disclosure with respect to SFDR, EU Taxonomy and CSRD. Our experts ensure that the delivered content is communicated in such a way that it is comprehensible for readers while still meeting the disclosure requirements set in the EU regulations and/or directives.

Examples of other services Ramboll provides that form part of the SFDR alignment or is closely related

CSRD

Ramboll advises clients on CSRD compliance. Both FMPs and investee companies may be legally required to comply with the CSRD directive.

- Gap assessment and impact analysis determining if existing data meets the data requirements implied by the draft European Sustainable Reporting Standards (ESRS)
- Double materiality assessment and integration into business strategy
- Recommendations on how to prepare for the upcoming reporting requirements under the CSRD is outlined.

EU Taxonomy

Ramboll assists both LPs, GPs and portfolio companies on responding to the Taxonomy regulation by

- Conducting Taxonomy-alignment assessment (substantial contribution, DNSH and MS)
- Assisting on Taxonomy Turnarounds, i.e. increasing Taxonomy-alignment of assets which currently are eligible but not aligned
- Integrating the Taxonomy into business procedures and project models.

TCFD

Analysis to provide FMPs with more decision-useful climate risk and opportunities assessment of investment portfolios and mandates including reporting OF:

- Physical and transition risk, opportunity analysis and associated financial implications
- Integration of climate-related risks and opportunities into governance setups and strategy processes
- Qualitative and quantitative review of existing and new information to provide businesses with more comprehensive climate risk reporting.

Ramboll offers a “one-stop-shop” solution with our capacity to provide integrated due diligence

Ramboll has the capability to offer several due diligence workstreams with subject matter experts for a CDD, ODD, EDD and TDD.

Through this integrated due diligence service and unmatched asset knowledge, Ramboll can support the client in the best possible way in their transactions.

Our integrated due diligence approach ensures communication and coordination is faster across workstreams and is more cost efficient.



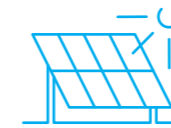
Commercial DD

Target assessment, market/segment analysis incl. supply/demand, prices, regulatory landscape outlooks etc., Business plan evaluation & investment attractiveness



ESG DD

EHS policies/risks assessment, contamination risks, costs and penalties analysis, ESG Screening, incl. deviation from good practice, risks/ opportunities across the value chain, Taxonomy DD



Technical DD

Asset condition analysis, asset planning, procurement, maintenance planning, CAPEX/OPEX



Operational DD

Analysis of organisational structure, external relations, strengths and weaknesses, development of to-be scenarios, ongoing support for target integration

Selected References

Article 9 gap assessment & establishment

Our Client

IFU is an independent government-owned fund and fund manager, offering risk capital on a commercial basis, to companies in developing countries and emerging markets.

All investments must support the green transition and contribute to reducing poverty and inequality.

What we did

Multi faceted SFDR-advisory: IFU wishes to establish an article 9 fund and as a result requires assistance with respect to a number of tasks:

- Outline key SFDR Article 8 and 9 requirements through IFU's context, including implications of using the word 'sustainable' in fund names, clarity on what IFU needs to develop and put in place to align funds to Article 9;
- Review IFU's current status with respect to SFDR requirements including investment processes, KPI establishment, monitoring and reporting;
- Conduct detailed gap assessment between IFU processes and SFDR Article 9 requirements;
- Develop detailed action plan and recommendations.

Article 9 fund strategy development

Our Client

Our client is a leading global private equity investment firm with a focus on energy and energy transition. 40 billion USD currently in invested capital.

What we did

Strategical Article 9 fund guidance: Ramboll is tasked to provide guidance to the private equity firm in setting a clear strategy to establish an Article 9 fund under the European Sustainable Finance Disclosure Regulation.

The goal is to guide future investments to meet the fund's sustainable objective criteria and prove its fund's attractiveness to potential European investors.

1. Designs the Article 9 sustainability strategy with required actions and resources;
2. Assesses the sustainability and business potential of technologies;
3. Supports with SFDR Annex III pre-contractual documentation and
4. Integrates SFDR requirements in the investment cycle.

EU Taxonomy and SFDR Article 9 Readinesss Check – Assessment of a Renewable Energy Fund



Our Client

Our client is a closed-end Alternative Investment Fund, registered in Luxembourg, investing in medium-sized projects mainly in Europe.

What we did

Taxonomy and SFDR Article 9-Check: Our client has high ambitions and plans to fulfil the extra standards of SFDR's Article 9 strategies with new funds. In order to identify possible gaps to these standards, Ramboll delivered a full Taxonomy-Check on all assets and in addition a SFDR Article 9-Readiness-Check on the fund.

In addition, Ramboll offered insights into the current sustainability dynamics and trends within the renewable energy sector and concerning the interpretation of the Minimum Social Safeguards, especially on occupational health.

SFDR Article 9 strategy – energy and energy-related fund

Our Client

The client is a global private equity firm primarily investing in energy and energy-related infrastructure.

What we did

Article 9 fund strategy and guidance: Currently, our client has a portfolio with several Article 8 funds and now intends to focus on creating a fund classified as SFDR Article 9.

Therefore, Ramboll helped the client in setting a clear strategy to establish an Article 9 fund and to guide the client in future investments to meet the sustainable objective criteria defined by the SFDR.

To enable the creation of such fund, Ramboll equipped the client with:

- Actions to implement to classify funds as Article 9.
- Legal requirements and market landscape of Article 9 funds.
- List of commercially attractive technologies aligning with Article 9 criteria.

Application of SFDR Art.9 setup in DD

Infrastructure investment fund for growth markets



Our Client

Leading investment fund with an emphasis upon growth markets. A particular focus upon renewable energy and transport infrastructure. Article 9 fund expected to be in excess of 1.5 billion EUR.

What we did

Tested due diligence framework: In a previous engagement, Ramboll developed a proprietary social and climate impact measurement framework, enabling the client to mark investments as sustainable under SFDR Art.9.

In this engagement, the framework was applied to test application on the potential acquisition of a logistics company in South Africa delivering frozen food products. With the result that the client has a tested due diligence framework which can be applied on future potential acquisitions.

SFDR support to leading Pension company investing in real estate in the Nordics

Our Client

Our client is a Nordic pension company and investment manager with a focus on, among others, real estate investments.

What we did

SFDR Compliance: We assisted the client with ensuring compliance with the Sustainable Finance Disclosure Regulation.

The project focused on creating a Handbook, guiding the client by addressing the disclosure requirements set out in the SFDR in a short and practical way, enabling the client to get a brief overview of the disclosure requirements of the SFDR and the Level 2 regulation within the supplementing Regulatory Technical Standards (RTS).

Based on this SFDR Handbook, the client was able to identify gaps in their policies and procedures and define next steps needed to become in compliance with the regulation.

Facilitating Article 9 Fund Establishment

Infrastructure investment
fund for growth markets

Our Client

Leading investment fund with an emphasis upon growth markets. A particular focus on renewable energy and transport infrastructure. Article 9 fund expected to be in excess of 1.5 billion EUR.

What we did

Market analysis and regulatory trends: Ramboll is analysing market as well as regulatory trends and standards to develop a list of concrete social impact KPIs, which the Article 9 fund can apply during the entire investment lifecycle, e.g.: in the pre-deal stage when estimating societal value creation potential, throughout ownership in connection with development of portfolio company strategy & investor reporting and finally in connection with exit to showcase social impact.

The methodology for selecting the impact KPIs are based on the principles of draft for the EU Social Taxonomy. Thus, making sure that methodologies for social and environmental impact measurement are streamlined for the Article 9 fund.

DNSH criteria for all 6 objectives have also been fully revised to suit the geographical context i.e. growth markets, within which the fund will invest.

As part of the project Ramboll is also assisting the client in writing the SFDR Article 9 pre-contractual documents, thus making sure the fund approach and documentation is in compliance with regulations

SFDR & EU Taxonomy Guidance

European Real Estate
Investment Manager

Our Client

Our client is a leading real estate asset manager with in excess of 80 properties across 6 countries with an overall value of circa. 1 billion EUR.

What we did

SFDR Article 8 compliance: Ramboll is leveraging legal expertise to analyse existing compliance and provide advice on how to solve any non-compliance issues. Furthermore, Ramboll is leveraging market knowledge to provide advice on market developments and advantages of Article 8 vs. 9.

EU Taxonomy baseline: Our technical experts are analysing all real estate assets of the investor for Taxonomy-alignment. This requires deep insights into national building codes and understanding of the real estate investor's business model, as both elements impact methodological choices for establishing the baseline and the resulting Taxonomy-alignment figures.

EU Taxonomy investment guide: To support the investor's future work with the EU Taxonomy, Ramboll is developing an investment guide which details what categories are more straightforward to obtain alignment within as well as which assets to focus on and geographies. This will enable the real estate investor to work actively with increasing Taxonomy-alignment of their funds by allocating capital to the most sustainable assets.

EU Taxonomy & SFDR support to leading Nordic real estate investment fund



Our Client

Our client is a fund and investment manager with a focus on commercial real estate. Total fund transactions exceed 2.5 billion EUR.

What we did

EU Taxonomy & PAI Screening: We screen the selected assets with the technical screening criteria for the identified relevant activities. In this phase we also screen for the PAI indicators developed for real estate to feed into reporting Phase 3.

EU Taxonomy Alignment Roadmap: Based on a detailed gap assessment, we create an overview of concrete actions that our client should take in order to become fully Taxonomy aligned.

EU Taxonomy and SFDR Reporting: We conduct a review of our client's existing policies and procedures related to SFDR compliance, to ensure that our client fully complies with the requirements set out in SFDR and as specified in detail in the Regulatory Technical Standards.

Physical climate risk assessment (CRA): We carried out a CRA to identify climate risks that might affect the company's assets as a result of climate change.

SFDR Article 8 support

US Renewable Energy Fund

Our Client

Our client is a specialized renewable energy infrastructure private equity firm investing in a distributed solar power generation portfolio across fourteen U.S. states.

What we did

EU Taxonomy and SFDR Reporting: We reviewed our Client's existing policies and procedures related to SFDR compliance to assess current compliance with the requirements set out in SFDR and as specified in the Regulatory Technical Standards. Next, Ramboll performed a market assessment to determine pressure from investors and peers in the SFDR topic and described the business value of SFDR alignment for the Client beyond compliance.

SFDR Alignment Roadmap: Based on a detailed gap assessment, Ramboll identified quick wins to achieve compliance with investors' requirements and created a roadmap with three scenarios covering key actions our client should take to establish SFDR Article 8 or Article 9 fund.

PAI data tracking: Ramboll supported the Client in responding to the investor's PAI questionnaire and analyzed metrics relevant to the Client's business model and investment types.

EU Taxonomy & SFDR support

US Infrastructure Investment Fund

Our Client

Our client is a leading US investment fund with a focus upon essential and critical infrastructure currently with circa. 6 billion USD of total capital and commitments.

What we did

EU Taxonomy & PAI Screening: We screen the selected assets with the technical screening criteria for the identified relevant activities. In this phase we also screen for the PAI indicators developed for real estate to feed into reporting Phase 3.

EU Taxonomy Alignment Roadmap: Based on a detailed gap assessment, we create an overview of concrete actions that our client should take in order to become fully Taxonomy aligned.

EU Taxonomy and SFDR Reporting: We conduct a review of our client's existing policies and procedures related to SFDR compliance, to ensure that our client fully complies with the requirements set out in SFDR and as specified in detail in the Regulatory Technical Standards.

An aerial photograph of a city at sunset. The sun is low on the horizon, casting a warm orange glow over the scene. A river flows through the city, with a bridge crossing it. The buildings are densely packed, and the sky is filled with soft, colorful clouds.

Helping a client to advance investments to new climate and digital solutions through ESG Due Diligence

Our Client

Our client is an investment fund that focuses on combating climate change, boosting the low-carbon industry, and promoting digitalization.

What we did

ESG due diligence planning: We tailored a repeatable approach for ESG Due Diligence on early phase companies with a focus on assessing DNSH compliance, and CO2 potential as well as taking a snapshot of ESG management practices.

Our project plan identifies touch-points for ESG, technical and commercial DD teams to review and validate plans, outcomes, and deliverables together.

The final report delivered insight into the target company's performance against the fund's investment criteria. Moreover, Ramboll outlined the related risks and mitigating actions for post-closing activities and support for formulating investment terms.

Who we are

Ramboll employs more than 18,000 people globally delivering bright ideas for sustainable change.

We are present in 35 countries and combine local experience with a global knowledge-base, constantly striving to achieve inspiring and exacting solutions that make a genuine difference to our clients, end-users, and society at large.

We work across the following markets: Buildings, Transport, Water, Environment & Health, Energy, Architecture & Landscape and Management Consulting.

To learn more about what services Ramboll offers related to SFDR

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