

# Gresham House Asset Management Ireland Ltd

## MiFID Sustainability- Frequently Asked Questions (FAQ)

### What is MiFID Sustainability?

MiFID Sustainability refers to the integration of Environmental, Social, and Governance (ESG) considerations into the investment advice and decision-making processes under the Markets in Financial Instruments Directive (MiFID II). This ensures that Gresham House considers your sustainability preferences when providing investment services, while also aligning with broader EU wide regulations such as the Sustainable Finance Disclosure Regulation (SFDR).

### When did sustainability become part of MiFID II?

Sustainability considerations were formally integrated into MiFID II through the Delegated Regulation (EU) 2021/1253, which came into effect on August 2, 2022. This amendment requires Gresham House to collect and consider your sustainability preferences as part of the suitability assessment process.

### What are sustainability preferences under MiFID II?

Sustainability preferences refer to your desire to invest in financial products that:

- Promote environmental or social characteristics (Article 8 under SFDR).
- Have sustainable investment as their objective (Article 9 under SFDR).
- Take into account how investments might negatively affect the environment or society (known as Principal Adverse Impacts or PAIs) .

### What information must Gresham House collect regarding sustainability preferences?

Gresham House must collect information on:

- Whether you want to consider sustainability factors in your investments.
- Your specific preferences regarding:
  - ESG characteristics (e.g., low carbon emissions, social responsibility).
  - Sustainable investment objectives (e.g., renewable energy projects).
  - Principal adverse impacts (e.g., climate change, labour standards).

### What happens if you do not express sustainability preferences?

If you do not express sustainability preferences, Gresham House is not required to consider ESG factors in the suitability assessment. You will be treated as sustainability neutral and can be advised on products with and without sustainability objectives. However, Gresham House must still ask you about your preferences and document your response.

### How does MiFID Sustainability align with SFDR?

MiFID Sustainability complements the Sustainable Finance Disclosure Regulation (SFDR) by ensuring that Gresham House considers your sustainability preferences when recommending financial products. SFDR requires Gresham

House to disclose how ESG factors are integrated into their investment processes, while MiFID ensures these factors are aligned with your sustainability preferences.

### **What are Principal Adverse Impacts (PAIs)?**

Principal Adverse Impacts (PAIs) refer to the potential negative effects that investments may have on environmental or social factors, such as:

- Carbon emissions.
- Biodiversity loss.
- Social and employee concerns.
- Human rights and anti-corruption.

Gresham House must ask you if you want to consider PAIs as part of your sustainability preferences.

### **How are sustainability preferences integrated into the suitability assessment?**

Sustainability preferences are integrated by:

- Including ESG-related questions in the client onboarding process (i.e. Oxford Risk online questionnaire and the Investment Advisory Agreement (IAA)). Requesting you to confirm that your preferences have not changed as part of the periodic client review process.
- Assessing whether recommended products align with your sustainability preferences.
- Documenting your preferences and how they were considered in the written suitability report.

### **Can Gresham House recommend non-ESG products if you have sustainability preferences?**

Yes, but only if:

- Gresham House has informed you about the mismatch between your preferences and the recommended product.
- You explicitly agree to proceed with the recommendation despite the mismatch.
- Gresham House documents your consent and the rationale for the recommendation.

### **What is the difference between Article 8 and Article 9 products under SFDR?**

- Article 8 Products: Promote environmental or social characteristics but do not have sustainable investment as their primary objective.
- Article 9 Products: Have sustainable investment as their primary objective (e.g., renewable energy projects, social impact investments).

Gresham House must ensure that products recommended to clients align with their sustainability preferences.

### **Where can I find more information about MiFID Sustainability?**

For more information, you can:

- Contact your financial advisor for further information and clarification.