

BNY Mellon Fund Management (Luxembourg) S.A.

Statement regarding the adverse impacts of investment decisions on sustainability factors

March 2021

- 1.1 BNY Mellon Fund Management (Luxembourg) S.A. (the “**Firm**”) has carefully evaluated the requirements of the PAI regime in Article 4 of the Sustainable Finance Disclosure Regulation (SFDR), and in the draft Regulatory Technical Standards published in the final report in February 2021 (the “**PAI regime**”).
- 1.2 The Firm is supportive of the policy aims of the PAI regime, to improve transparency to clients, investors and the market, as to how financial market participants integrate consideration of the adverse impacts of their investment decisions on sustainability factors.
- 1.3 It is the Firm’s current policy to delegate investment decision-making to other BNY Mellon Investment Management subsidiaries (the “**Investment Managers**”). Those Investment Managers, being based outside of the European Union, are not directly subject to the SFDR as a matter of their local law. While it is expected that those Investment Managers located in the UK may be subject to broadly similar rules in the future, the position is less clear for other of the Investment Managers that are based elsewhere. As the Firm does not perform any investment decision-making itself, it is concerned about the lack of readily available data to comply with many of the technical reporting requirements of the PAI regime. Accordingly, the Firm considers that it would be inappropriate to comply with the specific regime in the SFDR at the level of the Firm at this stage. However, the Firm is actively working with the underlying Investment Managers to evaluate possible compliance with the PAI regime in future.
- 1.4 The Firm will keep its decision not to comply with the PAI regime under regular review, and will formally re-evaluate the decision in advance of 1 January 2022 and at least annually thereafter.
- 1.5 Notwithstanding our decision not to comply with the PAI regime, the Firm also wishes to re-affirm our overall commitment to ESG matters.