

Transparent ESG scores and analytics

Helping financial institutions comply with the EU's sustainable finance regulatory framework

Partner profile

Prometeia is a leader in risk, wealth and asset management solutions and services, working on behalf of more than 400 clients in over 20 countries.

Partner Objective

Prometeia was looking for a partner that offered comprehensive, transparent ESG scores and analytics that could be integrated into its investment advisory platforms.

Solution

Refinitiv® data, combined with Prometeia's consultancy and data management capabilities, helps clients to comply with the new MiFID II Delegated Regulation for investment firms that has been updated to integrate sustainability factors and client preferences into organisational requirements and processes.

Client profile

Prometeia is an independent software and consulting company headquartered in Bologna, Italy, with strong experience in financial market research, quantitative analysis and technology solutions.

The firm is a specialist provider of risk, wealth and asset management consulting services for over 400 clients. These include Tier 1 banking groups, wealth managers, asset managers and insurers in more than 20 countries.

Prometeia works with its clients in three ways:

- Skills
 - Prometeia helps clients design efficient, compliant advisory processes which help those clients differentiate themselves from competitors
- Processes
 - Prometeia helps clients digitalise their front office, making the delivery of sophisticated, compliant services simpler and more efficient
- Data
 - Prometeia simplifies data provision to the front office by furnishing market data and analytics for portfolio analysis and compliance in a single feed.

Client objectives

The amendments to the MiFID II Delegated Regulation, which came into force in August 2022, aim to integrate sustainability preferences in the advisory and portfolio management processes to ensure that clients' sustainability preferences are taken into account.

Firms that provide investment advice and portfolio management shall consider clients' sustainability preferences when performing the suitability assessment.

The information on the sustainability preferences of the client should include:

- Minimum proportion that shall be invested in **environmentally sustainable investments** (EU taxonomy Regulation)
- Minimum proportion that shall be invested in **sustainable investments** (SFDR Regulation)
- Which **principal adverse impacts** (PAI) should be considered

Recognising the importance of the new regulatory framework, Prometeia has developed an offering that would allow its clients to comply with the new regulatory obligations.

Specifically, Prometeia allows its clients to calculate, at product and portfolio level:

- Alignment with the **EU taxonomy** for sustainable activities
- Proportion of **sustainable investments**
- **Principal Adverse Impacts** (PAIs) considered

The offering furthermore allows clients to produce a complete sustainability report to better help investors understand their investments and improve portfolios' sustainability performance through the calculation of:

- **Environmental, Social and Governance** (ESG) scores
- **Sustainability synthetic indicator** (SSI)
- **Quantitative Principal Adverse Impact** (PAI) indicators, as required by SFDR
- **Exclusion criteria** tailored to the specific methodological choices of asset managers and distributors
- **Quantitative metrics** and classifications

Solution

To help Prometeia meet the demand for better compliance with the MiFID II investor protection framework and similar regulations, the firm partnered with Refinitiv.

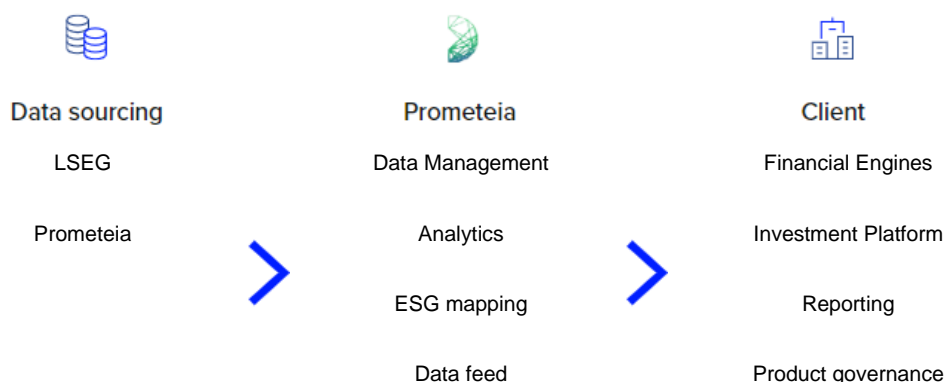
The collaboration between the two firms involves the integration of Refinitiv's ESG data and other information sources into customised datasets, enabling clients to assess sustainability-related risk and return opportunities in an increasingly robust and transparent way.

The Refinitiv/Prometeia agreement covers sustainability data, scores and ratings for an investable universe covering more than 85% of the global equity market's capitalisation. The new service includes over 630 metrics and time series dating back to 2002, along with analysis and screening tools that can be customised for each Prometeia client.

"Thanks to our partnership with LSEG, we can offer clients a complete solution, accompanying the transition to increasingly sustainable financial services. Together we're able to feed all the processes of producers and distributors: investment policies, disclosure to institutions and customers, supply governance activities, product classification and advisory models, all in line with the new European Rules".

Michele Leoncelli, Senior Partner, Prometeia

The LSEG/Prometeia partnership



The Refinitiv/Prometeia ESG solution provides:

- **A complete data solution**, covering ESG scores, pillar scores, PAI data and European ESG Template data (EET) compliance, with access to the underlying data and look-through to Lipper® fund ratings
- **Transparent methodology** on scores
- **Flexibility in integration**, with modular components and the ability for clients to customise data solutions
- Broad **asset class coverage**, covering a wide range of securities
- **Security and confidentiality**, with high-security hosting and standards
- **High-quality customer care**, with a robust service-level agreements and high-frequency coverage of new securities

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Additional information

For more on LSEG's ESG data visit lseg.com/en/data-analytics/sustainable-finance/esg-investing



LSEG DATA &
ANALYTICS