Summary

The Moody’s regulatory solution data sets enable investors and lenders to understand how their portfolios align with sustainable finance guidelines or regulations, and to identify opportunities to invest in companies that are contributing to the transition to a resilient, low-carbon society.

To assist market participants in responding to the European Union’s SFDR, Moody’s ESG Solutions has developed a comprehensive Principal Adverse Indicators data set that includes corporate data and metrics that align with the regulation.

The EU Taxonomy defines the conditions, criteria, and thresholds under which a given list of activities can be considered as sustainable, promoting climate mitigation and/or adaptation. The Moody’s methodology for screening companies on Taxonomy alignment is structured around the three criteria outlined by the European Commission, including substantial contribution to one of the six environmental objectives; doing no significant harm to the other environmental objectives; and complying with the Minimum Social Safeguards Principles. The product covers Taxonomy eligibility and alignment at the activity, company, and portfolio levels.
<table>
<thead>
<tr>
<th><strong>WHO</strong></th>
<th>Any users seeking to understand the alignment of companies and investment activities with the EU SFDR and Taxonomy regulations</th>
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| **WHAT** | • Identify investment opportunities  
  • Assess portfolio alignment with sustainable finance targets  
  • Ensure alignment with EU SFDR and Taxonomy regulations |
| **WHEN** | • Due diligence  
  • Risk assessment or reporting |
| **WHERE** | Any financial firm with portfolios that include one of over 10,000 companies screened |
| **WHY** | • Risk management  
  • Regulatory compliance  
  • Stakeholder communication  
  • Investment opportunity identification |
| **HOW** | Interested users can find out more by visiting the *Moody's website* |