



European Banking Authority

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Montréal, QC, Canada,

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Subject: impak Analytics' response to consultation on draft Guidelines on the management of ESG risks

To whom it may concern,

Please find with this letter impak Analytics' (hereafter "we," "us," or "impak") response to the aforementioned consultation paper.

We fully endorse the proposed initiative. However, we urge the Authority to expand its scope to encompass all forms of sustainability risks, going beyond environmental considerations to include broader socio-economic macro-trends. We believe that these non-environmental factors may give rise to unforeseen, prudential-level risks. We acknowledge that institutions may differ in their level of readiness regarding non-environmental sustainability issues. Hence, a phased implementation of more stringent requirements related to social and governance factors could be a viable option.

Furthermore, we argue that the guidelines should establish a baseline for engagement and data collection with small and medium-sized counterparties. This measure aims to prevent ESG blind spots at the portfolio level and ensure a systematic approach to managing ESG risks across financial institutions.

impak is a French-Canadian scale-up whose mission is to help banks and investors make more sustainable decisions by providing them with reliable assessments that go beyond ESG and include both the negative and positive impacts of their assets.

Our team consists of c. 60 employees, 40 of them expert analysts. impak is positioned today as the first and leading independent impact rating agency and uses an augmented human intelligence model, with expert impact analysts augmented by technology (including AI).

impak offers impact assessments, monitoring and scoring solutions that enable citizens, businesses, investors and financial institutions to use their capital to generate economic growth that works for people and the planet. In this context, impak has developed a platform which offers lenders, originators, credit officers and/or investors qualitative and quantitative standardized data

and easily comparable between companies, a dashboard including the analysis and impak Score™ of portfolio companies as well as an index for the entire portfolio of the investor wishing to monitor its social and environmental impact.

Our methodology is based, among other things, on the 17 Sustainable Development Goals (SDGs) established by the UN and on the Impact Management Project (IMP).

We are happy to discuss our answers in more detail.

Best regards,

Étienne Gendron
Senior Analyst, Financial Institutions
Lawyer