Explanation of Sustainability Preferences

The Suitability assessment is a MiFID II (Directive 2014/65/EU) requirement applicable to EU investment firms providing portfolio management services.

At Revolut Securities Europe UAB (“we”, “us”, “our”), we employ a Suitability Questionnaire to assess our clients’ investment knowledge and experience, risk tolerance, financial situation, investment objectives and sustainability preferences. This allows us to provide our clients with suitable investment strategies as part of our Robo-Advisor portfolio management service.

In line with requirements set out in MIFID II Delegated Regulation (Commission Delegated Regulation (EU) 2017/565), after identifying a range of suitable products for the client, in accordance with the criteria of investment knowledge and experience, financial situation and other investment objectives, we must also identify the product(s) that fulfill the client’s sustainability preferences. We ask our clients about whether they have any sustainability preferences as part of our Suitability Questionnaire.

According to MIFID II Delegated Regulation, client sustainability preferences can be expressed in relation to the different types of sustainable investment products (Environmentally sustainable investments, Sustainable investments, and/or Financial instruments considering Principle Adverse Impacts (PAIs)). Clients shall be able to express to what extent (minimum proportion) they wish to invest in each category of sustainable investment products.

Environmentally sustainable investments (aligned with EU Taxonomy)
Environmentally sustainable investments entail investments in environmentally sustainable activities defined by the EU Taxonomy Regulation. This means that the activity in question should significantly contribute to at least one of the six identified environmental objectives (climate change mitigation, climate change adaptation, transition to a circular economy, sustainable use and protection of water and marine resources, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. To be considered environmentally sustainable, the activity must also adhere to applicable technical screening criteria and minimum ESG (environmental, social, and governance) safeguards and avoid causing substantial harm to any environmental objectives.

Sustainable investments (as defined in EU SFDR)
Sustainable investment is an investment in an economic activity that contributes to environmental objectives (e.g. energy efficiency, use of renewable energy, raw materials, water and land, the impact on biodiversity, etc.) or social objectives (e.g. tackling inequality, fostering social cohesion, labor relations, etc.) and does not significantly harm social or environmental objectives, including good governance at investee companies.

Consideration of PAIs
Financial instruments that consider principal adverse impacts ("PAI") on sustainability factors, meaning that they consider the effect of related investments on sustainability factors. PAI indicators serve as a means to measure the negative effects of economic activity on various sustainability factors.

As of the present date, we do not integrate sustainability risks into our investment decision-making process. Our Robo-Advisor portfolio offering does not currently promote environmental or social characteristics and the available model portfolios do not hold sustainable investment as their objective. We aim to expand our offering suitable to our clients' sustainability preferences in the near future. You may find our SFDR-mandated sustainability-related disclosures on our EEA Trading website here.