

SRI Label Guidelines

Transition modalities from V1 to V2

Background:

In the context of the publication of the Order of 8 July 2020 amending the Order of 8 January 2016 defining the guidelines and the control and monitoring plan for the "socially responsible investment" label, the new SRI Label guidelines are marked "Date of publication: Effective date: date of publication + 3 months".

The various participants at the meeting raise the question of the date of implementation of these new guidelines and the transition arrangements to be applied for their clients (both old and new).

In order to ensure that all sector stakeholders proceed in the same way, it is proposed that transition arrangements be drawn up by the French Treasury and published on the website on the basis of today's discussions.

Subsequently, the 2016 version of the guidelines is called v1. The 2020 version of the guidelines is also called v2.

Transition arrangements for certification bodies (CBs)

Transition arrangements for accreditation of CBs accredited under v2016 (v1) in order to be able to work under v2020 (v2):

Before being able to work under the new version of the guidelines, CBs must demonstrate to COFRAC that they have updated their skills and their certification process.

Changes to the guidelines have little impact on the organisation of the CBs. It is therefore proposed that the CBs provide COFRAC as soon as possible with:

- an analysis of the impacts of v2 on the functioning of the certification body and the certifications already issued,
- the action plan decided accordingly and its state of progress,
- evidence of v2 training (auditors and others involved in the certification process)
- the procedures that have been modified accordingly, at least those concerning the certification process,
- in addition to the procedures for informing certified companies and any contractual amendments.

In addition to any other specific request from the French Treasury that could help to check that the CBs understand the new version.

This transition will be dealt with as a minor extension of the scope: when the review of these documents is satisfactory, accreditation for certification under v2 of the SRI Label guidelines is pronounced, and assessment activities can begin.

Accreditation procedures for CBs not yet accredited:

Prior to the implementation on 23/10/2020 of v2 of the SRI Label guidelines, the activities for the admissibility of accreditation applications are carried out according to v1.

In order to be able to work under favourable admissibility and in accordance with Article 5 of the SRI Label guidelines, the CB applying for accreditation must, in the same way as the

certification bodies already accredited, send COFRAC the elements listed above in order to be able to update its requested scope of accreditation and thus be able to issue certifications according to v2.

Certification procedures for certified entities and those applying for certification

Certification procedures for initial "real estate fund" applications under v2:

Any application for certification for real estate funds will be processed according to v2 of the SRI Label guidelines, as soon as the certificate of accreditation of the CBs according to v2 is updated and they are accredited for v2.

Procedures for initial v1 certification of financial funds:

Any application according to v1 whose admissibility may be pronounced by the CBs before 23/10/2020 can be processed under this version until the certificate is issued. However, under these conditions, the certificate according to v1 must be issued before 31/12/2020. If this is not the case, the certification process according to v1 is halted and a new admissibility according to v2 is triggered.

Procedures for initial v2 certification of financial funds:

As from the accreditation of CBs for v2, any new application received can only be processed according to v2 and the whole certification process (from admissibility to the issuance of the certificate) is carried out according to v2.

Certification procedures for the renewal of financial funds:

As of 23/10/2020, any audit for the renewal of a certified entity according to v1 is audited according to v2. Any specific deviation from the v2 specific certification criteria is described as "transitional non-conformity" and is subject to a departure from the control plan for the time it takes to process the deviations, which are by nature specific to v2. The certified entity has one year to prove to its CB that it has resolved these transitional non-conformities. Pending responses to any transitional non-conformities found, the v1 certificate may be maintained. Upon receipt of responses to these transitional non-conformities, the certificate is re-issued according to v2 while maintaining the current 3-year cycle. The French Treasury provides CBs with a list of criteria that have changed between v1 and v2 and which will be subject to transitional non-conformities, if any.

Transition arrangements for ongoing certifications (follow-up audits):

As of 23/10/2020, certified entities can choose to carry out their follow-up audit according to v1 or v2. This choice must be registered by the CBs. The certificate according to v1 can thus be maintained as-is until the end of its period of validity. The new certification cycle must adopt the current version of the guidelines.