

Rules of Use of the 'Towards Sustainability' label

Any use of the 'Towards Sustainability' label should respect the following guidelines, the regulations and procedures referred to in the application letter signed by the applicant — including the Label Award and Withdrawal Procedure (the 'Procedure'), published on www.towardssustainability.be — and applicable law.

Fair use

The label can only be used on products that satisfy, in all respects, the spirit and the principles of the current Quality Standard.

The label can only be used on products that have formally been awarded the label by the Towards Sustainability Labelling Agency (CLA) and granted the license to use it, and only while that license is valid. Where the label is awarded under a condition precedent, it may not be used before the Verifier has confirmed fulfilment of the condition and the CLA has confirmed the award.

The label can be used outside of Belgium, however, note that its use can be subject to specific marketing disclosure rules (cf. *infra*).

The product provider will promote the significance of the label and the 'Towards Sustainability' initiative in general and, when possible and appropriate, in product-related communication and publicity.

The applicant for the label pays the fees related to the application and the license to the CLA, as stipulated in the Process & Fees document. No fees are paid to the Verifier, except the reimbursement at cost of the travel and accommodation expenses of on-site audits.

Naming & practical use

The label should only be referred to as the 'Towards Sustainability' label.

The label is awarded and administered by the Towards Sustainability Labelling Agency (CLA). Although an initiative of Febelfin (the Belgian financial sector federation), Febelfin does not award the label. The label shall not be referred to as the 'Febelfin' label. It can however be mentioned that the Towards Sustainability quality standard and label were developed on the initiative of Febelfin.

Similarly, the quality standard shall be referred to as the 'Towards Sustainability Quality Standard' (for sustainable financial products).

If possible, communications shall mention the website www.towardssustainability.be as a source for more information on the 'Towards Sustainability' initiative.



The information provided in relation to the label can be in English, French, Dutch or other language depending on what is most appropriate for the intended audience.

Images

Please contact info@towardsustainability.be to receive the label image in multiple formats.

Regulatory approval of marketing material and publicity

The use of the label and the content and format of marketing information for products may be subject to specific rules regarding marketing of financial instruments imposed by the regulator and/or the financial markets supervisor competent for the markets in which it is used.

For example, for the Belgian market, some types of products require an a-priori approval of marketing material and publicity by the Belgian supervisor, the Financial Services and Markets Authority (FSMA), in line with the rules regarding the marketing of financial instruments towards non-professional clients (Transversal Royal Decree). This may also be the case for other EU financial markets & supervisors (e.g. CSSF in Luxembourg, the AMF in France, the FCA in the UK etc.).

This also covers marketing material and publicity for labelled products and presentation on the websites of product managers or distributors.

Financial market authorities of the markets in which the label is used may also require a specific disclaimer, in line with general rules for using labels, awards or ratings in marketing material. This may depend on the type of product and the type of clients targeted.

Please contact your legal counsel and/or supervisor for more information.

Duration

In line with rules and conditions stipulated and agreed upon in the application package, the label can be used only while the associated license is valid.

The label license is valid for one year with the option to request an extension for one additional year. As of being officially awarded the label, the label can be used in relation to the specific product as long as the license is valid. Each year, compliance with the Quality Standard will need to be reaffirmed or reverified as appropriate, as stipulated in the Procedure and the Process & Fees document.

Label holders comply with the Quality Standard, the Procedure and these Rules, and accept that the label may be withdrawn in accordance with section 5 of the Procedure: formal notice with a remediation plan, followed by withdrawal where compliance is not restored; immediate withdrawal in case of fraud or serious breach. Decisions may be contested before the Objections Commission within two weeks of notification (section 6 of the Procedure).

Changes to a labelled product

Any change to a labelled product is notified to the CLA Secretariat before it takes effect and, for planned changes, at the latest when investors are informed; planned mergers at least 3 months before their effective date.

Administrative changes (e.g. change of name, addition of share classes, change of administrator or depositary) are recorded without verification. Compliance-relevant changes (e.g. a merger or restructuring, a change of management company, a change to the prospectus affecting the investment policy, the sustainability methodology, exclusions, benchmark or data providers) are verified by the Verifier (section 4.9 of the Procedure).

The label continues pending the conclusion, provided the change was notified in time.

A compliance-relevant change implemented without prior notification is treated as a potential structural non-compliance (section 5.3(f) of the Procedure). Where the labelled product is absorbed into another product, the license ends on the effective date of the merger; the successor product may apply for the label, in a regular cycle or by fast track, with effect from that date. Exposures resulting from a merger fall under the three-month rule of QS 5.3 c).

Effects of withdrawal or lapse of the license

Upon withdrawal or lapse of the license: any new use of the label ceases immediately; the label is removed from websites and other digital materials within 10 working days, and from precontractual and printed documents at their next scheduled revision and at the latest within 3 months; distributors are informed within 5 working days.

These periods define when the CLA treats continued use as a breach of these Rules. They are without prejudice to the label holder's obligations under applicable law — in particular the prohibition on displaying a quality mark without the necessary authorisation and the requirements on the accuracy of prospectuses, key information documents and marketing communications — which may require earlier removal or correction.

The product is removed from the list of labelled products published on the website www.towardssustainability.be and the change is recorded in the public change log.

Use by distributors

Distributors may use the label only for products holding a valid license and in accordance with these Rules. The label holder informs its distributors of any award, withdrawal or lapse of the license within 5 working days and ensures the removal of the label from their materials.

Disclaimer

The Towards Sustainability Labelling Agency (CLA) assumes no responsibility and shall not be liable for the non-compliance with applicable rules and regulations regarding, among others but not limited to, the marketing of financial instruments by a product provider, a financial institution or any other market participant or party who uses the 'Towards Sustainability' label.

The label attests that the product complies with the Quality Standard as determined by the independent Verifier at the time of the award and of subsequent verifications. It is not an assessment of the product's financial characteristics, and it does not extend to other environmental claims made by the label holder about the product, which remain subject to the rules applicable to such claims.

Contact

Questions on a verification assessment are addressed to the Verifier; questions on the scheme, the license and the use of the label to the CLA Secretariat (info@towardssustainability.be).

