

**UNOFFICIAL CONSOLIDATED REDLINE VERSION OF SFDR 2.0**

**Regulation (EU) 2019/2088 as amended by the Proposal COM(2025) 841 final**

**Reading note:**

- Deleted
- Added
- No change to the current SFDR text

**Article 1**  
**Subject Matter**

~~This Regulation lays down harmonised rules for financial market participants and financial advisers on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect to financial products:~~

This Regulation lays down harmonised rules for financial market participants on:

- (a) transparency with regard to the provision of sustainability-related information, including the integration of sustainability risks with respect to the investment decision-making process of those financial market participants and the financial products they offer to investors;
- (b) the categorisation of, and transparency with regard to, financial products as sustainability-related financial products.

**Article 2**  
**Definitions**

For the purposes of this Regulation, the following definitions apply:

(1) “financial market participant” means:

- (a) an insurance undertaking which makes available an insurance-based investment product (IBIP);
- (b) ~~an investment firm which provides portfolio management;~~
- (c) an institution for occupational retirement provision (IORP);

- (d) a manufacturer of a pension product;
  - (e) an alternative investment fund manager (AIFM);
  - (f) a pan-European personal pension product (PEPP) provider;
  - (g) a manager of a qualifying venture capital fund registered in accordance with Article 14 of Regulation (EU) No 345/2013;
  - (h) a manager of a qualifying social entrepreneurship fund registered in accordance with Article 15 of Regulation (EU) No 346/2013;
  - (i) a management company of an undertaking for collective investment in transferable securities (UCITS management company); or
  - (j) ~~a credit institution which provides portfolio management;~~
- (2) “insurance undertaking” means an insurance undertaking authorised in accordance with Article 18 of Directive 2009/138/EC;
- (3) “insurance-based investment product” or “IBIP” means:
- (a) an insurance-based investment product as defined in point (2) of Article 4 of Regulation (EU) No 1286/2014; or
  - (b) an insurance product which is made available to a professional investor and which offers a maturity or surrender value that is wholly or partially exposed, directly or indirectly, to market fluctuations;
- (4) “alternative investment fund manager” or “AIFM” means an AIFM as defined in point (b) of Article 4(1) of Directive 2011/61/EU;
- (5) ~~“investment firm” means an investment firm as defined in point (1) of Article 4(1) of Directive 2014/65/EU;~~
- (6) ~~“portfolio management” means portfolio management as defined in point (8) of Article 4(1) of Directive 2014/65/EU;~~
- (7) “institution for occupational retirement provision” or “IORP” means an institution for occupational retirement provision authorised or registered in accordance with Article 9 of Directive (EU) 2016/2341 except an institution in respect of which a Member State has chosen to apply Article 5 of that Directive or an institution that operates pension schemes which together have less than 15 members in total;
- (8) “pension product” means:
- (a) a pension product as referred to in point (e) of Article 2(2) of Regulation (EU) No 1286/2014; or
  - (b) an individual pension product as referred to in point (g) of Article 2(2) of Regulation (EU) No 1286/2014;

(9) “pan-European Personal Pension Product” or “PEPP” means a product as referred to in point (2) of Article 2 of Regulation (EU) 2019/1238;

(10) “UCITS management company” means:

- (a) a management company as defined in point (b) of Article 2(1) of Directive 2009/65/EC;  
or
- (b) an investment company authorised in accordance with Directive 2009/65/EC which has not designated a management company authorised under that Directive for its management;

~~(11) “financial adviser” means:~~

- ~~(a) an insurance intermediary which provides insurance advice with regard to IBIPs;~~
- ~~(b) an insurance undertaking which provides insurance advice with regard to IBIPs;~~
- ~~(c) a credit institution which provides investment advice;~~
- ~~(d) an investment firm which provides investment advice;~~
- ~~(e) an AIFM which provides investment advice in accordance with point (b)(i) of Article 6(4) of Directive 2011/61/EU; or~~
- ~~(f) a UCITS management company which provides investment advice in accordance with point (b)(i) of Article 6(3) of Directive 2009/65/EC;~~

(12) “financial product” means:

- ~~(a) a portfolio managed in accordance with point (6) of this Article;~~
- (b) an alternative investment fund (AIF);
- (c) an IBIP;
- (d) a pension product;
- (e) a pension scheme;
- (f) a UCITS; or
- (g) a PEPP;

(13) “alternative investment funds” or “AIFs” means AIFs as defined in point (a) of Article 4(1) of Directive 2011/61/EU;

(14) “pension scheme” means a pension scheme as defined in point (2) of Article 6 of Directive (EU) 2016/2341;

- (15) “undertaking for collective investment in transferable securities” or “UCITS” means an undertaking authorised in accordance with Article 5 of Directive 2009/65/EC;
- ~~(16) “investment advice” means investment advice as defined in point (4) of Article 4(1) of Directive 2014/65/EU;~~
- ~~(17) “sustainable investment” means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;~~
- (18) “professional investor” means a client who meets the criteria laid down in Annex II to Directive 2014/65/EU;
- (19) “retail investor” means an investor who is not a professional investor;
- ~~(20) “insurance intermediary” means an insurance intermediary as defined in point (3) of Article 2(1) of Directive (EU) 2016/97;~~
- ~~(21) “insurance advice” means advice as defined in point (15) of Article 2(1) of Directive (EU) 2016/97;~~
- (22) “sustainability risk” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;
- (23) “European long-term investment fund” or “ELTIF” means a fund authorised in accordance with Article 6 of Regulation (EU) 2015/760;
- (24) “sustainability factors” mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
- (25) “sustainability-related financial product” means a financial product that is categorised in accordance with Article 7, 8 or 9;
- (26) “sustainability-related financial product with impact” means a financial product categorised in accordance with Article 7 or 9 that has as its objective the generation of a pre-defined, positive and measurable social or environmental impact;
- (27) “public sector bodies” means central governments or central banks, regional governments or local authorities, multilateral development banks as referred to in Article 117 of Regulation (EU) No 575/2013, and international organisations as referred to in Article 118 of that Regulation; and

(28) “environmental objectives” means the objectives referred to in Article 9 of Regulation (EU) 2020/852, namely climate change mitigation and climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

## **Article 2a**

### **Principle of do no significant harm**

~~1. The European Supervisory Authorities established by Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 of the European Parliament and of the Council (collectively, the “ESAs”) shall, through the Joint Committee, develop draft regulatory technical standards to specify the details of the content and presentation of the information in relation to the principle of “do no significant harm” referred to in point (17) of Article 2 of this Regulation consistent with the content, methodologies, and presentation in respect of the sustainability indicators in relation to the adverse impacts referred to in paragraphs 6 and 7 of Article 4 of this Regulation.~~

~~2. The ESAs shall submit the draft regulatory technical standards referred to in paragraph 1 to the Commission by 30 December 2020.~~

~~3. Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in paragraph 1 of this Article in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.~~

## **Article 3**

### **Transparency on sustainability risk policies in relation to the integration of sustainability risks**

#### **Transparency of sustainability risk policies**

~~1. Financial market participants shall publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process.~~

~~2. Financial advisers shall publish on their websites information about their policies on the integration of sustainability risks in their investment advice or insurance advice.~~

Financial market participants shall publish on their website information about their policies on the integration of sustainability risks in their investment decision-making process.

## **Article 4**

### **Transparency of adverse sustainability impacts at entity level**

~~1. Financial market participants shall publish and maintain on their websites:~~

- ~~(a) where they consider principal adverse impacts of investment decisions on sustainability factors, a statement on due diligence policies with respect to those impacts, taking due account of their size, the nature and scale of their activities and the types of financial products they make available; or~~
- ~~(b) where they do not consider adverse impacts of investment decisions on sustainability factors, clear reasons for why they do not do so, including, where relevant, information as to whether and when they intend to consider such adverse impacts.~~

~~2. Financial market participants shall include in the information provided in accordance with point (a) of paragraph 1 at least the following:~~

- ~~(a) information about their policies on the identification and prioritisation of principal adverse sustainability impacts and indicators;~~
- ~~(b) a description of the principal adverse sustainability impacts and of any actions in relation thereto taken or, where relevant, planned;~~
- ~~(c) brief summaries of engagement policies in accordance with Article 3g of Directive 2007/36/EC, where applicable;~~
- ~~(d) a reference to their adherence to responsible business conduct codes and internationally recognised standards for due diligence and reporting and, where relevant, the degree of their alignment with the objectives of the Paris Agreement.~~

~~3. By way of derogation from paragraph 1, from 30 June 2021, financial market participants exceeding on their balance sheet dates the criterion of the average number of 500 employees during the financial year shall publish and maintain on their websites a statement on their due diligence policies with respect to the principal adverse impacts of investment decisions on sustainability factors. That statement shall at least include the information referred to in paragraph 2.~~

~~4. By way of derogation from paragraph 1 of this Article, from 30 June 2021, financial market participants which are parent undertakings of a large group as referred to in Article 3(7) of Directive 2013/34/EU exceeding on the balance sheet date of the group, on a consolidated basis, the criterion of the average number of 500 employees during the financial year shall publish and maintain on their websites a statement on their due diligence policies with respect to the principal adverse impacts of investment decisions on sustainability factors. That statement shall at least include the information referred to in of paragraph 2.~~

~~5. Financial advisers shall publish and maintain on their websites:~~

- ~~(a) information as to whether, taking due account of their size, the nature and scale of their activities and the types of financial products they advise on, they consider in their investment advice or insurance advice the principal adverse impacts on sustainability factors; or~~
- ~~(b) information as to why they do not to consider adverse impacts of investment decisions on sustainability factors in their investment advice or insurance advice, and, where~~

~~relevant, including information as to whether and when they intend to consider such adverse impacts.~~

~~6. By 30 December 2020, the ESAs shall develop, through the Joint Committee, draft regulatory technical standards in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 on the content, methodologies and presentation of information referred to in paragraphs 1 to 5 of this Article in respect of the sustainability indicators in relation to adverse impacts on the climate and other environment-related adverse impacts.~~

~~The ESAs shall, where relevant, seek input from the European Environment Agency and the Joint Research Centre of the European Commission.~~

~~Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.~~

~~7. By 30 December 2021, the ESAs shall develop, through the Joint Committee, draft regulatory technical standards in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 on the content, methodologies and presentation of information referred to in paragraphs 1 to 5 of this Article in respect of sustainability indicators in relation to adverse impacts in the field of social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.~~

~~Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.~~

## **Article 5**

### ***Transparency of remuneration policies in relation to the integration of sustainability risks***

~~1. Financial market participants and financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks, and shall publish that information on their websites.~~

~~2. The information referred to in paragraph 1 shall be included in remuneration policies that financial market participants and financial advisers are required to establish and maintain in accordance with sectoral legislation, in particular Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/65/EU, (EU) 2016/97 and (EU) 2016/2341.~~

## **Article 6**

### ***Transparency on the integration of sustainability risks in pre-contractual disclosures for all financial products***

#### ***Transparency of the integration of sustainability risks***

- (1) Financial market participants shall include descriptions of the following in pre-contractual disclosures:
- (a) the manner in which sustainability risks are integrated into their investment decisions; and
  - (b) the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products they make available.

Where financial market participants deem sustainability risks not to be relevant, the descriptions referred to in the first subparagraph shall include a clear and concise explanation of the reasons therefor.

~~(2) Financial advisers shall include descriptions of the following in pre-contractual disclosures:~~

~~(a) the manner in which sustainability risks are integrated into their investment or insurance advice; and~~

~~(b) the result of the assessment of the likely impacts of sustainability risks on the returns of the financial products they advise on.~~

~~Where financial advisers deem sustainability risks not to be relevant, the descriptions referred to in the first subparagraph shall include a clear and concise explanation of the reasons therefor.~~

- (3) The information referred to in paragraph 1 ~~and 2-1 of this Article~~ shall be disclosed in the following manner:
- (a) for AIFMs, in the disclosures to investors referred to in Article 23(1) of Directive 2011/61/EU;
  - (b) for insurance undertakings, in the provision of information referred to in Article 185(2) of Directive 2009/138/EC or, where relevant, in accordance with Article 29(1) of Directive (EU) 2016/97;
  - (c) for IORPs, in the provision of information referred to in Article 41 of Directive (EU) 2016/2341;
  - (d) for managers of qualifying venture capital funds, in the provision of information referred to in Article 13(1) of Regulation (EU) No 345/2013;
  - (e) for managers of qualifying social entrepreneurship funds, in the provision of information referred to in Article 14(1) of Regulation (EU) No 346/2013;
  - (f) for manufacturers of pension products, in writing in good time before a retail investor is bound by a contract relating to a pension product;
  - (g) for UCITS management companies, in the prospectus referred to in Article 69 of Directive 2009/65/EC;



- ~~(h) for investment firms which provide portfolio management or provide investment advice, in accordance with Article 24(4) of Directive 2014/65/EU;~~
- ~~(i) for credit institutions which provide portfolio management or provide investment advice, in accordance with Article 24(4) of Directive 2014/65/EU;~~
- ~~(j) for insurance intermediaries and insurance undertakings which provide insurance advice with regard to IBIPs and for insurance intermediaries which provide insurance advice with regard to pension products exposed to market fluctuations, in accordance with Article 29(1) of Directive (EU) 2016/97;~~
- (k) for AIFMs of ELTIFs, in the prospectus referred to in Article 23 of Regulation (EU) 2015/760;
- (l) for PEPP providers, in the PEPP key information document referred to in Article 26 of Regulation (EU) 2019/1238.

#### **Article 6a**

#### ***Voluntary transparency on the integration of sustainability factors in pre-contractual disclosures for products that are not categorised as sustainability-related financial products***

- (1) Financial market participants shall not be prevented from including in the pre-contractual documentation of financial products, other than those categorised as sustainability-related financial products pursuant to Articles 7, 8 or 9, information on whether and how those financial products consider sustainability factors, provided that such information:
  - (a) is not a central element of the pre-contractual disclosures of the financial product;
  - (b) is not included in the KIID as referred to in Article 78 of Directive 2009/65/EC or the KID as referred to in Chapter II of Regulation (EU) No 1286/2014;
  - (c) does not constitute claims within the meaning of Article 7(1), Article 8(1) or Article 9(1).

For the purposes of the first subparagraph, point (a), the information shall be considered not be a central element where it is secondary to the presentation of the product characteristics both in terms of breadth and positioning in the document, neutral, and limited to less than 10% of the volume occupied by the presentation of the financial product's investment strategy.
- (2) The information referred to in the paragraph 1 shall be disclosed in the manner laid down in Article 6(3).
- (3) Financial market participants disclosing information under paragraph 1 shall include on an annual basis a description of the consideration of the sustainability factors in their periodic report. The conditions listed under paragraph 1, points (a) to (c), apply *mutatis mutandis* with regards to any sustainability-related information included in this periodic report.

- (4) The information referred to in paragraph 3 shall be disclosed in the manner laid down in Article 11(2).

## **~~Article 7~~**

### **~~Transparency of adverse sustainability impacts at financial product level~~**

~~1. By 30 December 2022, for each financial product where a financial market participant applies point (a) of Article 4(1) or Article 4(3) or (4), the disclosures referred to in Article 6(3) shall include the following:~~

~~(a) a clear and reasoned explanation of whether, and, if so, how a financial product considers principal adverse impacts on sustainability factors;~~

~~(b) a statement that information on principal adverse impacts on sustainability factors is available in the information to be disclosed pursuant to Article 11(2).~~

~~Where information in Article 11(2) includes quantifications of principal adverse impacts on sustainability factors, that information may rely on the provisions of the regulatory technical standards adopted pursuant to Article 4(6) and (7).~~

~~2. Where a financial market participant applies point (b) of Article 4(1), the disclosures referred to in Article 6(3) shall include for each financial product a statement that the financial market participant does not consider the adverse impacts of investment decisions on sustainability factors and the reasons therefor.~~

## **~~Article 8~~**

### **~~Transparency of the promotion of environmental or social characteristics in pre-contractual disclosures~~**

~~1. Where a financial product promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, the information to be disclosed pursuant to Article 6(1) and (3) shall include the following:~~

~~(a) information on how those characteristics are met;~~

~~(b) if an index has been designated as a reference benchmark, information on whether and how this index is consistent with those characteristics.~~

~~2. Financial market participants shall include in the information to be disclosed pursuant to Article 6(1) and (3) an indication of where the methodology used for the calculation of the index referred to in paragraph 1 of this Article is to be found.~~

~~2a Where financial market participants make available a financial product as referred to in Article 6 of Regulation (EU) 2020/852 of the European Parliament and of the Council, they~~

~~shall include in the information to be disclosed pursuant to Article 6(1) and (3) of this Regulation the information required under Article 6 of Regulation (EU) 2020/852.~~

~~3. The ESAs shall, through the Joint Committee, develop draft regulatory technical standards to specify the details of the content and presentation of the information to be disclosed pursuant to paragraphs 1 and 2 of this Article.~~

~~When developing the draft regulatory technical standards referred to in the first subparagraph, the ESAs shall take into account the various types of financial products, their characteristics and the differences between them, as well as the objective that disclosures are to be accurate, fair, clear, not misleading, simple and concise.~~

~~The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 30 December 2020.~~

~~Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.~~

~~4. The ESAs shall, through the Joint Committee, develop draft regulatory technical standards to specify the details of the content and presentation of the information referred to in paragraph 2a of this Article.~~

~~When developing the draft regulatory technical standards referred to in the first subparagraph of this paragraph, the ESAs shall take into account the various types of financial products, their characteristics and the differences between them, as well as the objective that disclosures are to be accurate, fair, clear, not misleading, simple and concise and, where necessary to achieve that objective, shall develop draft amendments to the regulatory technical standards referred to in paragraph 3 of this Article. The draft regulatory technical standards shall take into account the respective dates of application set out in points (a) and (b) of Article 27(2) of Regulation (EU) 2020/852 in respect of the environmental objectives set out in Article 9 of that Regulation.~~

~~The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission:~~

~~(a) in respect of the environmental objectives referred to in points (a) and (b) of Article 9 of Regulation (EU) 2020/852, by 1 June 2021; and~~

~~(b) in respect of the environmental objectives referred to in points (c) to (f) of Article 9 of Regulation (EU) 2020/852, by 1 June 2022.~~

~~Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.~~

## **Article 9**

## **~~Transparency of sustainable investments in pre-contractual disclosures~~**

~~1. Where a financial product has sustainable investment as its objective and an index has been designated as a reference benchmark, the information to be disclosed pursuant to Article 6(1) and (3) shall be accompanied by the following:~~

~~(a) information on how the designated index is aligned with that objective;~~

~~(b) an explanation as to why and how the designated index aligned with that objective differs from a broad market index.~~

~~2. Where a financial product has sustainable investment as its objective and no index has been designated as a reference benchmark, the information to be disclosed pursuant to Article 6(1) and (3) shall include an explanation on how that objective is to be attained.~~

~~3. Where a financial product has a reduction in carbon emissions as its objective, the information to be disclosed pursuant to Article 6(1) and (3) shall include the objective of low carbon emission exposure in view of achieving the long-term global warming objectives of the Paris Agreement.~~

~~By way of derogation from paragraph 2 of this Article, where no EU Climate Transition Benchmark or EU Paris-aligned Benchmark in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council (<sup>3</sup>) is available, the information referred to in Article 6 shall include a detailed explanation of how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the long-term global warming objectives of the Paris Agreement.~~

~~4. Financial market participants shall include in the information to be disclosed pursuant to Article 6(1) and (3) an indication of where the methodology used for the calculation of the indices referred to in paragraph 1 of this Article and the benchmarks referred to in the second subparagraph of paragraph 3 of this Article are to be found.~~

~~4a. Financial market participants shall include in the information to be disclosed pursuant to Article 6(1) and (3) of this Regulation the information required under Article 5 of Regulation (EU) 2020/852.~~

~~5. The ESAs shall, through the Joint Committee, develop draft regulatory technical standards to specify the details of the content and presentation of the information to be disclosed pursuant to paragraphs 1 to 4 of this Article.~~

~~When developing the draft regulatory technical standards referred to in the first subparagraph of this paragraph, the ESAs shall take into account the various types of financial products, their objectives as referred to in paragraphs 1, 2 and 3 and the differences between them as well as the objective that disclosures are to be accurate, fair, clear, not misleading, simple and concise.~~

~~The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 30 December 2020.~~

~~Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.~~

~~6. The ESAs shall, through the Joint Committee, develop draft regulatory technical standards to specify the details of the content and presentation of the information referred to in paragraph 4a of this Article.~~

~~When developing the draft regulatory technical standards referred to in the first subparagraph of this paragraph, the ESAs shall take into account the various types of financial products, their objectives as referred to in paragraph 4a of this Article and the differences between them as well as the objective that disclosures are to be accurate, fair, clear, not misleading, simple and concise and, where necessary to achieve that objective, shall develop draft amendments to the regulatory technical standards referred to in paragraph 5 of this Article. The draft regulatory technical standards shall take into account the respective dates of application set out in points (a) and (b) of Article 27(2) of Regulation (EU) 2020/852 in respect of the environmental objectives set out in Article 9 of that Regulation.~~

~~The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission:~~

~~(a)~~

~~in respect of the environmental objectives referred to in points (a) and (b) of Article 9 of Regulation (EU) 2020/852, by 1 June 2021; and~~

~~(b)~~

~~in respect of the environmental objectives referred to in points (c) to (f) of Article 9 of Regulation (EU) 2020/852, by 1 June 2022.~~

~~Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.~~

## **Article 7**

### **Transition category: criteria and disclosures**

(1) Financial market participants shall not claim that their financial products invest in the transition of undertakings, economic activities, or other assets towards sustainability, or contribute to such transition, unless those financial products meet the following conditions:

- (a) they have a 70% threshold linked to the proportion of investments to meet a clear and measurable transition objective related to sustainability factors, including environmental or social transition objectives in accordance with the binding elements of the investment strategy of the financial product, measured using appropriate sustainability-related indicator(s);

(b) they exclude investments in companies as referred to in Article 12(1), points (a), (b), (c), and (d) of Commission Delegated Regulation (EU) 2020/1818, with the exception of investments in use of proceeds instruments issued by companies:

- (i) in accordance with Article 3 of Regulation (EU) 2023/2631 of the European Parliament and of the Council; or
- (ii) where the proceeds do not fund any underlying activities as referred to in Article 12(1), points (a), (b) and (d), of Delegated Regulation (EU) 2020/1818, provided that the issuer of the use of proceeds instruments is not excluded under Article 12(1), point (c), of that Regulation.

(c) they exclude investments in companies that:

- (i) develop new projects for the exploration, extraction, distribution or refining of hard coal and lignite, oil fuels or gaseous fuels; or
- (ii) develop new projects for, or do not have a plan to phase-out from, the exploration, mining, extraction, distribution, refining or exploitation of hard coal or lignite for power generation.

(d) they identify and disclose the principal adverse impacts of their investments on sustainability factors, and explain any actions taken to address those impacts.

Financial market participants may choose to comply in full or in part with the disclosure requirement described under the first subparagraph point (d) by using appropriate sustainability-related indicators.

The conditions described in the first subparagraph shall be considered to be met for financial products that replicate or are managed in reference to an EU climate transition benchmark that complies with the requirements laid down in Section 2 of Delegated Regulation (EU) 2020/1818, or an EU Paris-aligned benchmark that complies with the requirements laid down in Section 3 of Chapter II of that Delegated Regulation.

The conditions described under the first subparagraph, point (a) shall be considered met for financial products with a proportion of investments in taxonomy-aligned economic activities, as defined in Article 1, point (2), of Delegated Regulation (EU) 2021/2178, equal or higher than 15%.

The first subparagraph, point (a) shall not include investment in issuances by public sector bodies, with the exception of the use of proceeds instruments issued by public sector bodies:

- (a) in accordance with Article 3 of Regulation (EU) 2023/2631; or
- (b) where the proceeds do not fund any underlying activities excluded under Article 12(1), points (a), (b) and (d), of Delegated Regulation (EU) 2020/1818 or companies excluded under Article 12(1), point (c), of that Regulation.

(2) Investments by financial products as referred to in paragraph 1, first subparagraph, point (a), shall include any of the following:

- (a) investments in portfolios replicating or managed in reference to an EU climate transition benchmark or EU Paris-aligned benchmark (“EU climate benchmarks”);
- (b) investments in taxonomy-aligned economic activities as defined in Article 1, point (2), of Commission Delegated Regulation (EU) 2021/2178, including:
  - (i) transitional economic activities as referred to in Article 10(2) of Regulation (EU) 2020/852;
  - (ii) taxonomy-eligible economic activities becoming taxonomy-aligned in accordance with point (b) of the first sub-paragraph of Section 1.1.2.2. of Annex I of Delegated Regulation (EU) 2021/2178.
- (c) investments in undertakings or economic activities with a credible transition plan as regards at least one sustainability factor at the level of the undertaking or at activity level respectively, proportionate to the size of the undertaking;
- (d) investments in undertakings or economic activities with credible science-based targets that are supported by information ensuring integrity, transparency and accountability;
- (e) investments accompanied with a credible sustainability-related engagement strategy, targeting specific changes with defined milestones and measured with reference to those targets and milestones, and integrating escalation actions in case the expected changes do not happen, in combination with any of those referred to in points (a) to (d) or (h);
- (f) investments pursuant to Article 9(2) in combination with any of those referred to in points (a) to (e);
- (g) investments with a credible transition target set at the level of the portfolio, such as reduction of portfolio emissions over time;
- (h) other investments in undertakings, economic activities or other assets that credibly contribute to the transition provided proper justification is included in the disclosures required pursuant to paragraph 3.

Where the financial product aims at meeting a clear and measurable transition towards the climate change mitigation objective, the credible transition plans, science-based targets and sustainability-related engagement strategy referred to in the first subparagraph points (c) to (e), the credible transition target set at the level of the portfolio referred to in letter (g) and the credible contribution referred to in letter (h), shall be compatible with the transition to a sustainable economy and with the limiting of global warming in line with the Paris Agreement and the objective of achieving climate neutrality as established in Regulation (EU) 2021/1119.

- (3) For the financial products referred to in paragraph 1, first subparagraph, financial market participants shall disclose the following information:
  - (a) a statement that the financial product meets the conditions laid down in paragraph 1;



- (b) a description of the transition-related objective(s) to which the financial product contributes;
- (c) a description of:
  - (i) the transition-related strategy of the financial product to comply with paragraph 1, first subparagraph, point (a);
  - (ii) the applicable choice and relative share of investments referred to in paragraph 2;
  - (iii) any applicable phase-in period for the product to reach the threshold referred to paragraph 1, first subparagraph, point (a), following the period necessary to implement the investment strategy, in line with information set out in pre-contractual disclosures.
- (d) where the product pursues an environmental objective, a statement on whether, and the extent to which, the financial market participant meets the requirement referred to in paragraph 1, first subparagraph, point (a), by investing in accordance with paragraph 2, first subparagraph, point (b).
- (e) the sustainability-related indicator(s) used by the financial market participant referred to in paragraph 1, first subparagraph, point (a), for measuring compliance with the strategy and progress toward the objective, together with information on actions to address any underperforming assets in terms of the objective and chosen indicator(s);
- (f) a statement that the financial market participant complies with paragraph 1, first subparagraph, point (b) and any additional applicable exclusions of investments determined by the financial market participant for the financial product;
- (g) data sources used to inform points (b) to (e).

The information referred to in the first subparagraph shall be disclosed in the manner laid down in Article 6(3).

- (4) For financial products with a transition objective falling within the meaning of Article 2, point (26), the information to be disclosed shall also contain:
  - (a) the intended impact(s) in terms of specified environmental or social objectives, underpinned by a pre-set impact theory; and
  - (b) provisions to measure, manage, and report on the desired impact pursuant to point (a), including in terms of investments by the financial product and the contribution of investors in the financial product.



## **Article 8**

### **ESG basics category: criteria and disclosures**

- (1) Financial market participants shall not claim that their financial products, other than those referred to in Articles 7 and 9, integrate sustainability factors in their investment strategy beyond the consideration of sustainability risks, unless those financial products meet the following conditions:
  - (a) they have a 70% threshold linked to the proportion of investments integrating the sustainability factors in accordance with the binding elements of the investment strategy of the financial product, measured using appropriate sustainability-related indicator(s);
  - (b) they exclude investments in companies as referred to in Article 12(1), points (a), (b), (c) and (d), of Delegated Regulation (EU) 2020/1818, with the exception of investments in use of proceeds instruments issued by companies:
    - (i) in accordance with Articles 3 of Regulation (EU) 2023/2631; or
    - (ii) where the proceeds do not fund any underlying activities excluded under Article 12(1), points (a), (b) and (d), of Delegated Regulation (EU) 2020/1818, provided that the issuer of the use of proceeds instruments is not excluded under Article 12(1), point (c); of that Delegated Regulation.
- (2) Investments by financial products as referred to in paragraph 1, first subparagraph, point (a), shall include any or a combination of the following:
  - (a) investments with an ESG rating as defined by Regulation 2024/3005 that outperforms the average rating of the investment universe or the reference benchmark;
  - (b) investments that outperform the average investment universe or reference benchmark on a specific appropriate sustainability indicator;
  - (c) investments that favour undertakings or economic activities with a proven positive track record in terms of processes, performance or outcomes related to sustainability factors;
  - (d) a combination of investments pursuant to Article 7(2) or Article 9(2) of this Regulation and the investments referred to in points (a), (b) and (c) of this paragraph;
  - (e) other investments integrating sustainability factors beyond the consideration of sustainability risks, provided proper justification is included in the disclosures required pursuant to paragraph 3.
- (3) For financial products as referred to in paragraph 1, financial market participants shall disclose the following information:
  - (a) a statement that the financial product meets the conditions of paragraph 1;
  - (b) a description of the sustainability factors that the financial product integrates;

(c) a description of:

- (i) the strategy of the financial product to comply with paragraph 1, first subparagraph, point (a);
  - (ii) the applicable choice and relative share of investments referred to in paragraph 2;
  - (iii) any applicable phase-in period for the product to reach the threshold referred to in paragraph 1, first subparagraph, point (a), following the period necessary to implement the investment strategy, in line with information set out in pre-contractual disclosures.
- (d) the sustainability-related indicator(s) used by the financial market participant referred to in paragraph 1, first subparagraph, point (a), for measuring compliance with the strategy and progress toward the objective, together with information on actions to address any underperforming assets in terms of the objective and chosen indicator(s);
- (e) a statement that the financial product complies with paragraph 1, first subparagraph, point (b), and any additional exclusion of investments determined by the financial market participant for the financial product;
- (f) data sources used to inform points (b) to (e).

The information referred to in the first subparagraph shall be disclosed in the manner laid down in Article 6(3).

## **Article 9**

### **Sustainable category: criteria and disclosures**

- (1) Financial market participants shall not claim that their financial products invest in sustainable undertakings, sustainable economic activities, or other sustainable assets, or contribute to sustainability, unless those financial products meet the following conditions:
- (a) they have a 70% threshold linked to the proportion of investments to meet a clear and measurable objective related to sustainability factors, including environmental and social objectives, in accordance with the binding elements of the investment strategy of the financial product, measured using appropriate sustainability-related indicators;
  - (b) they exclude investments in companies referred to in Article 12(1) of Delegated Regulation (EU) 2020/1818;
  - (c) they exclude investments in companies that:
    - (i) develop new projects for the exploration, extraction, distribution or refining of hard coal and lignite, oil fuels or gaseous fuels; or
    - (ii) develop new projects for, or do not have a plan to phase-out from, the exploration, mining, extraction, distribution, refining or exploitation of hard coal or lignite for power generation.

- (d) they identify and disclose the principal adverse impacts of their investments on sustainability factors, and explain any actions taken to address those impacts.

Financial market participants may choose to comply in full or in part with the disclosure requirement described under the first subparagraph point (d) by using appropriate sustainability related indicators.

The conditions referred to in the first subparagraph shall be considered met for financial products that replicate or are managed in reference to an EU Paris-aligned benchmark that complies with the requirements laid down in Section 3 of Delegated Regulation (EU) 2020/1818.

The conditions described under the first subparagraph, point (a) shall be considered met for financial products with a proportion of investments in taxonomy-aligned economic activities, as defined in Article 1, point (2), of Delegated Regulation (EU) 2021/2178, equal or higher than 15%.

The financial products referred to in the first subparagraph, point (a), shall not include investments in issuances by public sector bodies, with the exception of use of proceeds instruments issued by public sector bodies:

- (a) in accordance with Article 3 of Regulation (EU) 2023/2631;
- (b) where the proceeds do not fund:
  - (i) any underlying activities excluded under Article 12(1), points (a) and (b), and (d) to (g), of Delegated Regulation (EU) 2020/1818 or in the first subparagraph, point (c); or
  - (ii) companies excluded under Article 12(1), point (c), of Delegated Regulation (EU) 2020/1818.

The first subparagraph, points (b) and (c), shall not apply to investments in use of proceeds instruments issued by companies:

- (a) in accordance with Article 3 of Regulation (EU) 2023/2631; or
  - (b) where the proceeds do not fund any underlying activities as referred to in Article 12(1), points (a) and (b), and (d) to (g), of Delegated Regulation (EU) 2020/1818 or the first paragraph, point (c), provided that the issuer of the use of proceeds instruments is not excluded under Article 12(1), point (c), of Delegated Regulation (EU) 2020/1818.
- (2) Investments by financial products as referred to in paragraph 1, point (a), shall include any or a combination of the following:
- (a) investments in portfolios replicating or managed in reference to an EU Paris-aligned benchmark;
  - (b) investments in taxonomy-aligned economic activities as defined in Article 1, point (2), of Delegated Regulation (EU) 2021/2178;

- (c) investments in instruments issued in accordance with Articles 3 of Regulation (EU) 2023/2631;
  - (d) investments, including co-investments, that finance the same undertaking, project or portfolio identified in financing and investment operations benefiting from a Union budgetary guarantee or financial instruments under Union programmes pursuing environmental or social objectives;
  - (e) investments in comparable assets to those referred to in points (a) to (c), provided that a proper justification of their high level of performance in terms of sustainability standards is included in the disclosures required pursuant to paragraph 3;
  - (f) investments in European social entrepreneurship funds (EuSEF) as referred to in Regulation (EU) No 346/2013 of the European Parliament and of the Council;
  - (g) other investments in undertakings, economic activities, or assets that contribute to an environmental objective or a social objective, provided that a proper justification is included in the disclosures required pursuant to paragraph 3.
- (3) For financial products as referred to in paragraph 1, financial market participants shall disclose the following information in the manner laid down in Article 6(3):
- (a) a statement that the financial product meets the conditions of paragraph 1;
  - (b) a description of the sustainability-related objective(s) to which the financial product contributes;
  - (c) a description of:
    - (i) the strategy of the financial product to comply with paragraph 1, point (a);
    - (ii) the applicable choice and relative share of investments referred to in paragraph 2;
    - (iii) any applicable phase-in period for the product to reach the threshold referred to in paragraph 1, point (a), following the period necessary to implement the investment strategy, in line with information set out in pre-contractual disclosures.
  - (d) where the product pursues an environmental objective, a statement on whether, and the extent to which, the financial market participant meets the requirement referred to in paragraph 1 point (a) by investing in accordance with paragraph 2 point (b);
  - (e) the sustainability-related indicator(s) used by the financial market participant referred to in paragraph 1, point (a), for measuring compliance with the strategy and progress toward the objective, together with information on actions to address any underperforming assets in terms of the objective and chosen indicator(s);
  - (f) a statement that the financial market participant complies with paragraph 1, points (b) and (c), and any additional applicable exclusion of investments determined by the financial market participant for the financial product;
  - (g) data sources used to inform points (b) to (e).

The information referred to in the first subparagraph shall be disclosed in the manner laid down in Article 6(3).

- (4) For financial products with a sustainability objective falling within the meaning of Article 2, point (26), the information to be disclosed shall also include:
  - (a) the intended impact(s) in terms of specified environmental or social objectives, underpinned by a pre-set impact theory; and
  - (b) provisions to measure, manage and report on the desired impact pursuant to point (a), including in terms of investments by the financial product and the contribution of investors in the financial product.

#### **Article 9a**

#### ***Financial products that claim that they combine financial products that are categorised as sustainability-related products***

- (1) Financial products that claim that they combine financial products that are categorised as sustainability-related financial products shall be deemed to be compliant with the requirements of Articles 7, 8 or 9 if they meet the 70% threshold of investments referred to in paragraph 1 point (a) of those Articles by way of investments in categorised products or other investments that meet the requirements of Articles 7, 8 or 9, and comply with the exclusions in Articles 7(1), 8(1) or 9(1).

For the purposes of assessing eligibility for a category as referred to in Articles 7 to 9, financial market participants may rely on the information disclosed in relation to their investments in, or exposure to, financial products categorised in accordance with those Articles.

- (2) For non-categorised financial products that claim that they invest in, are exposed to or are constituted of two or more underlying financial products as referred to in Articles 7, 8 and 9, the information to be disclosed pursuant to Article 6(3) shall include:
  - (a) the composition of the financial product in terms of the relative share of the underlying financial products referred to in Articles 7, 8 and 9;
  - (b) the share of the financial product to which point (a) does not apply;
  - (c) the objective, strategy and applicability of any exclusions applicable to the share of the product referred to in point (b) of this subparagraph.

For the purposes of the first subparagraph, financial market participants may rely on the information referred to in Article 7(3), Article 8(3) and Article 9(3).

- (3) Where financial market participants are provided with portfolio management services by entities authorised therefor in accordance with either Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/65/EU or Directive (EU) 2016/2341, they may rely on the information provided by those entities.

## Article 10

### Transparency on websites on sustainability-related financial products

#### ~~Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites~~

~~1. Financial market participants shall publish and maintain on their websites the following information for each financial product referred to in Article 8(1) and Article 9(1), (2) and (3):~~

- ~~(a) a description of the environmental or social characteristics or the sustainable investment objective;~~
- ~~(b) information on the methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the sustainable investments selected for the financial product, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the financial product;~~
- ~~(c) the information referred to in Articles 8 and 9;~~
- ~~(d) the information referred to in Article 11.~~

~~The information to be disclosed pursuant to the first subparagraph shall be clear, succinct and understandable to investors. It shall be published in a way that is accurate, fair, clear, not misleading, simple and concise and in a prominent easily accessible area of the website.~~

~~2. The ESAs shall, through the Joint Committee, develop draft regulatory technical standards to specify the details of the content of the information referred to in points (a) and (b) of the first subparagraph of paragraph 1, and the presentation requirements referred to in the second subparagraph of that paragraph.~~

~~When developing the draft regulatory technical standards referred to in the first subparagraph of this paragraph, the ESAs shall take into account the various types of financial products, their characteristics and objectives as referred to in paragraph 1 and the differences between them. The ESAs shall update the regulatory technical standards in the light of regulatory and technological developments.~~

~~The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 30 December 2020.~~

~~Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.~~

Financial market participants shall publish and maintain on their websites the following information for each financial product referred to in Article 7(1), Article 8(1) and Article 9(1):

(a) the information referred to in Article 7(3), Article 7(4), Article 8(3), Article 9(3) and Article 9(4);

(b) the information referred to in Article 11.

The information to be disclosed pursuant to this Article shall be clear, succinct and understandable to investors. It shall be published in a way that is accurate, fair, clear, not misleading, simple, and concise and in a prominent easily accessible area of the website.

The information referred to in subparagraph 1 may be disclosed by form of weblinks to the respective documentation referred to in Article 6(3) or Article 11(2).

### **Article 11**

#### **Transparency in periodic reports on sustainability-related financial products**

#### **~~Transparency of the promotion of environmental or social characteristics and of sustainable investments in periodic reports~~**

~~1. Where financial market participants make available a financial product as referred to in Article 8(1) or in Article 9(1), (2) or (3), they shall include a description of the following in periodic reports:~~

~~(a) for a financial product as referred to in Article 8(1), the extent to which environmental or social characteristics are met;~~

~~(b) for a financial product as referred to in Article 9(1), (2) or (3):~~

~~• (i) the overall sustainability-related impact of the financial product by means of relevant sustainability indicators; or~~

~~• (ii) where an index has been designated as a reference benchmark, a comparison between the overall sustainability-related impact of the financial product with the impacts of the designated index and of a broad market index through sustainability indicators;~~

~~(c) for a financial product subject to Article 5 of Regulation (EU) 2020/852, the information required under that Article;~~

~~(d) for a financial product subject to Article 6 of Regulation (EU) 2020/852, the information required under that Article.~~

(1) Financial market participants shall describe on an annual basis in the periodic reports for each financial product referred to in Article 7(1), first subparagraph, Article 8(1), first subparagraph, and Article 9(1):

(a) the extent to which the applicable objectives are met, or sustainability factors are integrated, in particular by way of reference to the indicator(s) referred to in Article 7(3), point (d), Article 8(3), point (d), or Article 9(3), point (d);



(b) for financial products falling within the meaning of Article 2, point (26), the information referred to in Article 7(4), point (b), or Article 9(4), point (b).

(2) The information referred to in paragraph 1 of this Article shall be disclosed in the following manner:

- (a) for AIFMs, in the annual report referred to in Article 22 of Directive 2011/61/EU;
- (b) for insurance undertakings, annually in writing in accordance with Article 185(6) of Directive 2009/138/EC;
- (c) for IORPs, in the annual report referred to in Article 29 of Directive (EU) 2016/2341;
- (d) for managers of qualifying venture capital funds, in the annual report referred to in Article 12 of Regulation (EU) No 345/2013;
- (e) for managers of qualifying social entrepreneurship funds, in the annual report referred to in Article 13 of Regulation (EU) No 346/2013;
- (f) for manufacturers of pension products, in writing in the annual report or in a report in accordance with national law;
- (g) for UCITS management companies, in the annual report referred to in Article 69 of Directive 2009/65/EC;
- ~~(h) for investment firms which provide portfolio management, in a periodic report as referred to in Article 25(6) of Directive 2014/65/EU;~~
- ~~(i) for credit institutions which provide portfolio management, in a periodic report as referred to in Article 25(6) of Directive 2014/65/EU;~~
- (j) for PEPP providers, in the PEPP Benefit Statement referred to in Article 36 of Regulation (EU) 2019/1238.

(3) For the purposes of paragraph 1 of this Article, financial market participants may use the information in management reports in accordance with Article 19 of Directive 2013/34/EU or the information in non-financial statements in accordance with Article 19a of that Directive where appropriate.

~~4. The ESAs shall, through the Joint Committee, develop draft regulatory technical standards to specify the details of the content and presentation of the information referred to in points (a) and (b) of paragraph 1.~~

~~When developing the draft regulatory technical standards referred to in the first subparagraph, the ESAs shall take into account the various types of financial products, their characteristics and objectives and the differences between them. The ESAs shall update the regulatory technical standards in the light of regulatory and technological developments.~~

~~The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 30 December 2020.~~



~~Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.~~

~~5. The ESAs shall, through the Joint Committee, develop draft regulatory technical standards to specify the details of the content and presentation of the information referred to in points (e) and (d) of paragraph 1.~~

~~When developing the draft regulatory technical standards referred to in the first subparagraph of this paragraph, the ESAs shall take into account the various types of financial products, their characteristics and objectives and the differences between them and, where necessary, shall develop draft amendments to the regulatory technical standards referred to in paragraph 4 of this Article. The draft regulatory technical standards shall take into account the respective dates of application set out in points (a) and (b) of Article 27(2) of Regulation (EU) 2020/852 in respect of the environmental objectives set out in Article 9 of that Regulation. The ESAs shall update the regulatory technical standards in the light of regulatory and technological developments.~~

~~The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission:~~

~~(a) in respect of the environmental objectives referred to in points (a) and (b) of Article 9 of Regulation (EU) 2020/852, by 1 June 2021; and~~

~~(b) in respect of the environmental objectives referred to in points (c) to (f) of Article 9 of Regulation (EU) 2020/852, by 1 June 2022.~~

~~Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.~~

## **Article 12** **Review of disclosures**

~~1. Financial market participants shall ensure that any information published in accordance with Article 3, 5 or 10 is kept up to date. Where a financial market participant amends such information, a clear explanation of such amendment shall be published on the same website.~~

~~2. Paragraph 1 shall apply mutatis mutandis to financial advisers with regard to any information published in accordance with Articles 3 and 5.~~

Financial market participants shall ensure that any information published in accordance with Article 3 or 10 is kept up to date. A financial market participant that amends such information shall explain such amendment on the same website as the website on which the information has been published.

## **Article 12a** **Data and estimates**

In complying with Articles 7 to 11, financial market participants:

- (a) shall ensure that:
  - (i) the use of data provided by external data providers, other than open source or research freely available to the public, is based on formalised and documented arrangements;
  - (ii) the use of estimates that are not based on data provided by external data providers is based on formalised and documented methodologies;
- (b) shall provide clients upon request with:
  - (i) information regarding sustainability-related financial products other than the information disclosed in accordance with Article 7(3) and (4), Article 8(3), Article 9(3) and (4), and Article 11;
  - (ii) where data or estimates are sourced from data providers, the name, contact details and, where applicable and available, the methodology used by data providers;
  - (iii) the methodology, the main assumptions and the precautionary principles regarding the treatment of missing datapoints underlying estimations where those are not based on data provided by external data providers.

## **Article 13** **Marketing communications and naming rules**

### **Marketing communications**

~~1. Without prejudice to stricter sectoral legislation, in particular Directives 2009/65/EC, 2014/65/EU and (EU) 2016/97 and Regulation (EU) No 1286/2014, financial market participants and financial advisers shall ensure that their marketing communications do not contradict the information disclosed pursuant to this Regulation.~~

~~2. The ESAs may develop, through the Joint Committee, draft implementing technical standards to determine the standard presentation of information on the promotion of environmental or social characteristics and sustainable investments.~~

~~Power is delegated to the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.~~

- (1) Notwithstanding stricter sectoral legislation, in particular Directives 2009/65/EC of the European Parliament and of the Council, Directive 2014/65/EU, Directive (EU) 2016/97, and Regulation (EU) No 1286/2014, financial market participants shall ensure that their

marketing communications do not contradict the information to be disclosed pursuant to this Regulation.

- (2) Financial market participants may only include sustainability-related claims in the names and in the marketing communications of financial products referred to in Article 7(1), Article 8(1) and Article 9(1).

The claims in the names and in the marketing communications referred to in the first subparagraph shall be clear, fair, not misleading, and consistent with the sustainability features of those financial products.

- (3) Financial market participants may not include sustainability-related claims in the names and in the marketing communications of financial products referred to in Article 6(a).

Financial market participants may include sustainability-related claims in the marketing communications of financial products referred to in Article 9a provided those claims are clear, fair and not misleading, and consistent with the information disclosed in accordance with of Article 9a(1), points (a) to (c).

- (4) Financial products other than those referred to in Article 2, point (26), shall not use the term “impact” in their name.
- (5) Where a financial market participant issues and discloses to third parties an ESG rating, as defined in Article 3, point (1), of Regulation (EU) 2024/3005 of the European Parliament and of the Council, as part of its marketing communications, it shall include on its website the same information as that required by point 1 of Annex III to that Regulation and it shall disclose in those marketing communications a link to those website disclosures.

## **Article 14**

### **Competent authorities**

~~1. Member States shall ensure that the competent authorities designated in accordance with sectoral legislation, in particular the sectoral legislation referred to in Article 6(3) of this Regulation, and in accordance with Directive 2013/36/EU, monitor the compliance of financial market participants and financial advisers with the requirements of this Regulation. The competent authorities shall have all the supervisory and investigatory powers that are necessary for the exercise of their functions under this Regulation.~~

- (1) Member States shall ensure that the competent authorities defined, designated or specified in accordance with sectoral legislation, in particular the sectoral legislation referred to in Article 6(3) of this Regulation, and in accordance with Directive 2013/36/EU, monitor the compliance of financial market participants with the requirements of this Regulation. The competent authorities shall have all the supervisory and investigatory powers that are necessary for the exercise of their functions under this Regulation.
- (2) For the purposes of this Regulation, the competent authorities shall cooperate with each other and shall provide each other, without undue delay, with such information as is relevant for the purposes of carrying out their duties under this Regulation.

- (3) Without prejudice to Article 17(3), Member States shall ensure that competent or other national authorities do not apply requirements additional to those set out in Articles 3, 6, 10, 11 and 13 as regards information requirements, and in Articles 7, 8 and 9 as regards the criteria and transparency regarding financial products that are categorised as sustainability-related financial products.

## **Article 15** **Transparency by IORPS**

### ~~**Transparency by IORPs and insurance intermediaries**~~

~~1. IORPs shall publish and maintain the information referred to in Articles 3 to 7 and the first subparagraph of Article 10(1), of this Regulation in accordance with point (f) of Article 36(2) of Directive (EU) 2016/2341.~~

~~2. Insurance intermediaries shall communicate the information referred to in Article 3, Article 4(5), Article 5, Article 6 and the first subparagraph of Article 10(1), of this Regulation in accordance with Article 23 of Directive (EU) 2016/97.~~

IORPs shall publish and maintain the information referred to in Articles 3, 6 and 10 of this Regulation in accordance with Article 36(2), point (f), of Directive (EU) 2016/2341.

## **Article 16** **Pension products covered by Regulations (EC) No 883/2004 and (EC) No 987/2009**

- (1) Member States may decide to apply this Regulation to manufacturers of pension products operating national social security schemes which are covered by Regulations (EC) No 883/2004 and (EC) No 987/2009. In such cases, manufacturers of pension products as referred to in point (1)(d) of Article 2 of this Regulation shall include manufacturers of pension products operating national social security schemes and of pension products referred to in point (8) of Article 2 of this Regulation. In such case, the definition of pension product in point (8) of Article 2 of this Regulation shall be deemed to include the pension products referred to in the first sentence.
- (2) Member States shall notify the Commission and the ESAs of any decision taken pursuant to paragraph 1.

## **Article 17** **Exemptions**

~~1. This Regulation shall neither apply to insurance intermediaries which provide insurance advice with regard to IBIPs nor to investment firms which provide investment advice that are enterprises irrespective of their legal form, including natural persons and self-employed persons, provided that they employ fewer than three persons.~~

~~2. Member States may decide to apply this Regulation to insurance intermediaries which provide insurance advice with regard to IBIPs or investment firms which provide investment advice as referred to in paragraph 1.~~

~~3. Member States shall notify the Commission and the ESAs of any decision taken pursuant to paragraph 2.~~

(1) Financial market participants may choose not to apply this Regulation to financial products of the closed-ended type which were created and distributed before *[the date of application of this Regulation]*.

(2) This Regulation is without prejudice to voluntary sustainability-related labelling schemes for financial products with features that exceed those in Articles 7, 8 and 9 in terms of specified objectives, investment approaches, governance or transparency requirements.

## **Article 18** **Report**

~~The ESAs shall take stock of the extent of voluntary disclosures in accordance with point (a) of Article 4(1) and point (a) of Article 7(1). By 10 September 2022 and every year thereafter, the ESAs shall submit a report to the Commission on best practices and make recommendations towards voluntary reporting standards. That annual report shall consider the implications of due diligence practices on disclosures under this Regulation and shall provide guidance on this matter. That report shall be made public and be transmitted to the European Parliament and to the Council.~~

The ESAs shall take stock of the extent of financial products referred to in Articles 7, 8 and 9 made available or managed by financial market participants. By *[24 months after the date of application of this Regulation]* and every two years thereafter, the ESAs shall submit a report to the Commission on best practices. That report shall be made public and be transmitted to the European Parliament and to the Council.

## **Article 18a** **Accessibility of information on the European single access point**

~~1. From 10 January 2028, when making public any information referred to in Article 3(1) and (2), Article 4(1), (3), (4) and (5), Articles 5(1) and 10(1) of this Regulation, financial market participants and financial advisers shall submit that information at the same time to the relevant collection body referred to in paragraph 3 of this Article for the purpose of making it~~

~~accessible on the European single access point (ESAP) established under Regulation (EU) 2023/2859.~~

- (1) From [18 months after the date of application of this Regulation], when making public any information referred to in Articles 3 and 10 of this Regulation, financial market participants shall submit that information at the same time to the relevant collection body referred to in paragraph 3 of this Article for the purpose of making it accessible on the European single access point (ESAP) established under Regulation (EU) 2023/2859 of the European Parliament and of the Council.

That information shall comply with the following requirements:

- (a) be submitted in a data extractable format as defined in Article 2, point (3), of Regulation (EU) 2023/2859 or, where required by Union law, in a machine-readable format, as defined in Article 2, point (4), of that Regulation;

- (b) be accompanied by the following metadata:

~~(i) all the names of the financial market participant or financial adviser to which the information relates;~~

~~(ii) for legal persons, the legal entity identifier of the financial market participant or financial adviser, as specified pursuant to Article 7(4), point (b), of Regulation (EU) 2023/2859;~~

~~(iii) for legal persons, the size of the financial market participant or financial adviser by category, as specified pursuant to Article 7(4), point (d), of that Regulation;~~

(i) all the names of the financial market participant to which the information relates;

(ii) for legal persons, the legal entity identifier of the financial market participant, as specified pursuant to Article 7(4), point (b), of Regulation (EU) 2023/2859;

(iii) for legal persons, the size of the financial market participant by category, as specified pursuant to Article 7(4), point (d), of Regulation (EU) 2023/2859;

~~2. For the purposes of paragraph 1, point (b)(ii), financial market participants and financial advisers that are legal persons shall obtain a legal entity identifier.~~

- (2) For the purposes of paragraph 1, point (b)(ii), financial market participants that are legal persons shall obtain a legal entity identifier.

- (3) By 9 January 2028, for the purpose of making the information referred to in paragraph 1 of this Article accessible on ESAP, Member States shall designate at least one collection body as defined in Article 2, point (2), of Regulation (EU) 2023/2859 and notify ESMA thereof.

- (4) For the purpose of ensuring the efficient collection and management of information submitted in accordance with paragraph 1, the ESAs, through the Joint Committee, shall develop draft implementing technical standards to specify:

- (a) any other metadata to accompany the information;
- (b) the structuring of data in the information;
- (c) for which information a machine-readable format is required and, in such cases, which machine-readable format is to be used.

For the purposes of point (c), the ESAs shall assess the advantages and disadvantages of different machine-readable formats and conduct appropriate field tests for that purpose.

The ESAs shall submit those draft implementing technical standards to the Commission.

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph of this paragraph in accordance with Article 15 of Regulation (EU) No 1093/2010, Article 15 of Regulation (EU) No 1094/2010 and Article 15 of Regulation (EU) No 1095/2010.

- (5) Where necessary, the ESAs, through the Joint Committee, shall adopt guidelines to ensure that the metadata submitted in accordance with paragraph 4, first subparagraph, point (a), are correct.

## **Article 19** **Review**

### **Evaluation**

~~1. By 30 December 2022, the Commission shall evaluate the application of this Regulation and shall in particular consider:~~

~~(a) whether the reference to the average number of employees in Article 4(3) and (4) should be maintained, or accompanied by other criteria, and shall consider the benefits and proportionality of the related administrative burden;~~

~~(b) whether the functioning of this Regulation is inhibited by the lack of data or their suboptimal quality, including indicators on adverse impacts on sustainability factors by investee companies.~~

~~2. The evaluation referred to in paragraph 1 shall be accompanied, if appropriate, by a legislative proposal.~~

By [36 months after the date of application of this Regulation], the Commission shall review the application of this Regulation and shall in particular consider:

- (a) practices regarding the categorisation of products in accordance with Articles 7, 8 and 9;
- (b) practices regarding the use of data and estimates pursuant to Article 12a and whether these practices and the functioning of this Regulation are inhibited by data availability or quality issues;



- (c) adjusting the proportion of investments in taxonomy-aligned economic activities needed to comply with the option under Article 7(1), third subparagraph, and Article 9(1), third subparagraph.

### **Article 19a** **Transitional provisions**

Financial market participants shall apply Articles 7, 8, 9, 10 and 11 of this Regulation as amended by Regulation [PP: *please insert reference to this amending regulation*] to financial products referred to in Article 2(12), points (c), (d), (e), (g) and (h) by [12 months after the date of application of this Regulation].

### **Article 19b** **Empowerments**

The Commission shall be empowered to adopt a delegated act in accordance with Article 19c to supplement:

- (a) paragraphs 1, 2, 3 and 4 of Article 7 to specify:
  - (a) the conditions for investments to contribute to the transition-related objective, and more in particular to specify:
    - (i) indicator(s) building on the indicators referred to in Annex I to Commission Delegated Regulation (EU) 2022/1288 and Commission Delegated Regulation (EU) 2023/2772 [*to be adapted to the new CSRD delegated act*] for voluntary use by financial market participants when complying with paragraph 1, first subparagraph, point (a) and point (d);
    - (ii) any limited permitted deviations from the exclusions referred to in paragraph 1, first subparagraph, point (b), including for the purposes of hedging;
    - (iii) the methodologies to calculate the threshold referred to in paragraph 1, first subparagraph, point (a), including the shares of investments referred to in paragraph 1, first subparagraph, to which the chosen indicator(s) may apply, and any applicable phase-in period for the product to reach the threshold referred to in paragraph 1, first subparagraph, point (a);
    - (iv) the conditions for investments referred to in paragraph 2 to qualify as contributing to the transition-related objective.
  - (b) the details of the presentation of the information to be disclosed pursuant to paragraph 3, which shall not exceed two pages, and the information to be disclosed pursuant to paragraph 4, which shall not exceed one page;
- (b) paragraphs 1, 2 and 3 of Article 8 to specify:



- (a) the conditions for investments to integrate sustainability factors, and in particular to specify:
  - (i) indicator(s) building on the indicators referred to in Annex I to Commission Delegated Regulation (EU) 2022/1288 and Commission Delegated Regulation (EU) 2023/2772 *[to be adapted to the new CSRD delegated act]* for voluntary use by financial market participants when complying with paragraph 1, first subparagraph, point (a);
  - (ii) any limited permitted deviations from the exclusions referred to in paragraph 1, first subparagraph, point (b), including for the purposes of hedging;
  - (iii) the methodologies to calculate the threshold referred to in paragraph 1, first subparagraph, point (a), including the shares of investment referred to in paragraph 1 to which the chosen indicator(s) may apply, and any applicable phase-in period for the product to reach the threshold referred to in paragraph 1, first subparagraph, point (a);
  - (iv) the conditions for the investment approaches referred to in paragraph 2 to qualify as integrating sustainability factors.
- (b) the details of the presentation of the information to be disclosed pursuant to paragraph 3, which shall not exceed two pages;
- (c) paragraphs 1, 2, 3 and 4 of Article 9 to:
  - (a) specify the conditions for investments to contribute to the sustainability-related objective, and in particular:
    - (i) indicator(s) building on the indicators referred to in Annex I to Commission Delegated Regulation (EU) 2022/1288 and Commission Delegated Regulation (EU) 2023/2772 *[to be adapted to the new CSRD delegated act]* for voluntary use by financial market participants when complying with paragraph 1, first subparagraph, point (a) and point (d);
    - (ii) any limited permitted deviations from the exclusions referred to in paragraph 1, point (b), including for the purposes of hedging;
    - (iii) methodologies on how to calculate the threshold referred to in point (a) of paragraph 1 including the shares of investment referred to in paragraph 1 to which the chosen indicator(s) may apply, and any applicable phase-in period for the product to reach the threshold referred to in paragraph 1, point (a);
    - (iv) the conditions for investment approaches referred to in paragraph 2 to qualify as contributing to the sustainability-related objective.
  - (b) specify the details of the presentation of the information to be disclosed pursuant to paragraph 3, which shall not exceed two pages, and the information to be disclosed pursuant to paragraph 4, which shall not exceed one page.

- (d) paragraph 1 of Article 11 by specifying the details of the presentation of the information to be disclosed, which shall not exceed two pages.

### **Article 19c** **Exercise of the delegation**

- (1) The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
- (2) The power to adopt delegated acts referred to in Article 19b shall be conferred on the Commission for an indeterminate period from *[date of entry into force of this Regulation]*.
- (3) The delegations of powers referred to in Article 19b may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
- (4) Before adopting a delegated act, the Commission shall gather all necessary expertise, including through the consultation of the experts of the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852, and where appropriate the European Supervisory Authorities, and in accordance with the principles and procedures laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.
- (5) As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
- (6) A delegated act adopted pursuant to Article 19b shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

### **[Article 20** **Entry into force and application<sup>1</sup>**

- (1) This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.
- (2) This Regulation shall apply from 10 March 2021.
- (3) By way of derogation from paragraph 2 of this Article:

---

<sup>1</sup> **Stibbe note:** At this stage, the European Commission's proposal does not address the technical amendments that would be required in respect of Article 20 of the SFDR.

*Working document - for discussion purposes only  
This text is meant purely as a documentation tool and has no legal effect.  
Stibbe Avocats do not assume any liability for its content.  
The authentic versions of the relevant acts, including their preambles,  
are those published in the Official Journal of the European Union and available in EUR-Lex.*

- (a) Articles 4(6) and (7), 8(3), 9(5), 10(2), 11(4) and 13(2) shall apply from 29 December 2019;
- (b) Articles 2a, 8(4), 9(6) and 11(5) shall apply from 12 July 2020;
- (c) Articles 8(2a) and 9(4a) shall apply:
  - (i) in respect of the environmental objectives referred to in points (a) and (b) of Article 9 of Regulation (EU) 2020/852, from 1 January 2022; and
  - (ii) in respect of the environmental objectives referred to in points (c) to (f) of Article 9 of Regulation (EU) 2020/852, from 1 January 2023;
- (d) Article 11(1), (2) and (3) shall apply from 1 January 2022.]

This Regulation shall be binding in its entirety and directly applicable in all Member States.