

## ANNEX 2: THE SFDR AND TAXONOMY REGULATION

### Part I: Requirements applicable to all strategies and products

Baseline Requirements			
Reference	Requirement <sup>1</sup>	Summary	Full Text
Article 3 SFDR	Policies on the integration of Sustainability Risks and associated website disclosures	A manager must publish on its website, information about its policies on the integration of “sustainability risks” in its investment decision-making process.	<ol style="list-style-type: none"> <li>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.</li> </ol>
Article 4 SFDR	Due diligence policies and associated website disclosures	<p>A manager must publish and maintain on its website the following information, depending on whether the manager considers the “principal adverse impacts” of its investment decisions on “sustainability factors” or not:</p> <p>(i) Where the manager does consider the adverse impact of investment decisions on the sustainability factors, the manager must publish a statement on its due diligence policies. Amongst various prescriptive requirements on content and presentation, the Draft ESG Disclosures RTS requires the statement to include information on the identification and prioritisation of adverse impacts, summaries of its engagement policies, and the adherence to any responsible business codes or other internationally recognised standards.</p>	<ol style="list-style-type: none"> <li>1. Financial market participants shall publish and maintain on their websites:               <ol style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ol> </li> </ol>

<sup>1</sup> The requirements apply from 10 March 2021 unless otherwise specified.

		<p>(ii) Where the manager does not consider the adverse impact of investment decisions on sustainability factors, the manager must provide “clear reasons” for not doing so, including information about whether and when it intends to consider such adverse impacts where relevant. The Draft ESG Disclosures RTS provide additional details about the prominence and visibility of such statement with the aim of providing potential investors with a clear warning sign about the manager’s position on sustainability.</p>	<p>2. Financial market participants shall include in the information provided in accordance with point (a) of paragraph 1 at least the following:</p> <ul style="list-style-type: none"> <li>(a) information about their policies on the identification and prioritisation of principal adverse sustainability impacts and indicators;</li> <li>(b) a description of the principal adverse sustainability impacts and of any actions in relation thereto taken or, where relevant, planned;</li> <li>(c) brief summaries of engagement policies in accordance with Article 3g of Directive 2007/36/EC, where applicable;</li> <li>(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.</li> </ul>
<p>Article 5 SFDR</p>	<p>Remuneration policies and associated website disclosures</p>	<p>A manager must update its remuneration policies (as adopted under AIFMD, MiFID II or the UCITS Directive) to include information on how the policy is consistent with the integration of sustainability risks. This information must also be published on the manager’s website.</p>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>

<p><b>Article 6 SFDR</b></p>	<p><b>Pre-contractual disclosures</b></p>	<p><b><i>Integration of sustainability risks in investment decisions</i></b></p> <p>For each fund or investment portfolio marketed or otherwise “made available” to investors, a manager must make certain pre-contractual disclosures depending on whether the manager has chosen to integrate “sustainability risks” into its investment decision making process or not:</p> <p>(i) Where sustainability risks are integrated into the investment decision making process, the manager must disclose the manner in which they are integrated into investment decisions; and the results of its assessment of the likely impact of such integration on returns.</p> <p>(ii) Where sustainability risks are <b>not</b> integrated, the manager must provide a “clear and concise” explanation giving reasons for such decision.</p> <p>AIFMs and UCITS management companies must include the above disclosures in their investor disclosure statements, whilst MiFID investment firms must similarly include such information in client disclosures.</p>	<p><b>1.</b> Financial market participants shall include descriptions of the following in pre-contractual disclosures:</p> <p>(a) the manner in which sustainability risks are integrated into their investment decisions; and</p> <p>(b) the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products they make available.</p> <p>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.</p> <p><b>3.</b> The information referred to in paragraphs 1 and 2 of this Article shall be disclosed in the following manner:</p> <p>(a) for AIFMs, in the disclosures to investors referred to in Article 23(1) of Directive 2011/61/EU;</p> <p>(g) for UCITS management companies, in the prospectus referred to in Article 69 of Directive 2009/65/EC;</p> <p>(h) for investment firms which provide portfolio management or provide investment advice, in accordance with Article 24(4) of Directive 2014/65/EU.</p>
<p><b>Article 7 SFDR</b></p>		<p><b><i>Assessing the adverse impact investment decisions have on sustainability</i></b></p> <p>Additional pre-contractual disclosures apply in relation to each fund or investment portfolio depending on whether the manager, pursuant to its policies on the integration of sustainability risks (mentioned above in this Part I), considers the principal adverse impacts that investment decisions may have on the sustainability factors or not:</p>	<p><b>1.</b> 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) [where the manager considers the adverse impact of investment decisions on sustainability factors], the disclosures referred to in Article 6(3) shall include the following:</p>

		<p><i>From 30 December 2022:</i></p> <p>(i) Where the manager considers the adverse impact of investment decisions on the sustainability factors, the manager must disclose: a “clear and reasoned explanation” of whether, and, if so, how the particular fund or investment portfolio considers such adverse impact; and a statement that information about the adverse impacts is available in the periodic reports provided to investors.</p> <p><i>From 10 March 2021:</i></p> <p>(ii) Where the manager does not consider the adverse impact of investment decisions on sustainability, the manager must include a statement to that effect and its reasons for such decision.</p>	<p>(a) a clear and reasoned explanation of whether, and, if so, how a financial product considers principal adverse impacts on sustainability factors;</p> <p>(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).</p> <p>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).</p> <p>2. Where a financial market participant applies point (b) of Article 4(1) [where the manager does not consider the adverse impact of investment decisions on sustainability], 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.</p>
<p><b>Article 13 SFDR</b></p>	<p><b>Marketing communications</b></p>	<p>Managers must review all of their marketing communications (e.g. presentations, pitch-books, websites and other material), to ensure that these do not conflict with the information they must disclose under the SFDR.</p>	<p>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.</p> <p>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.</p> <p>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</p>

			(EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.
<p>Article 7  Taxonomy  Regulation</p>	<p>Statement of Non-  Compliance with  Taxonomy  Regulation</p>	<p><i>From 1 January 2022<sup>2</sup> or 1 January 2023<sup>3</sup>, as applicable:</i></p> <p>All funds and portfolios that neither make environmental sustainable investments, nor promote environmental characteristics, must include a prescribed statement warning investors that:</p> <p>“The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.”</p>	<p>Where a financial product is not subject to Article 8(1) or to Article 9(1), (2) or (3) of Regulation (EU) 2019/2088, the information to be disclosed in accordance with the provisions of sectoral legislation referred to in Articles 6(3) and 11(2) of that Regulation shall be accompanied by the following statement:</p> <p>‘The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.’</p>

<sup>2</sup> With respect to the requirements related to the following two “environmental objectives”: Climate change mitigation and Climate change adaptation, from 1 January 2022.

<sup>3</sup> With respect to the requirements related to the other environmental objectives: Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems, from 1 January 2023.

**Part II: Promotion of Environmental or Social Characteristics**

<b>Funds or portfolios that promote environmental or social characteristics</b>			
<b>Reference</b>	<b>Requirement</b>	<b>Summary</b>	<b>Full Text</b>
Article 10 SFDR	Website disclosures	<p>For each fund or investment portfolio that promotes environmental or social characteristics, a manager must publish and maintain the following information on its website in a manner that is “accurate, fair, clear, not misleading, simple and concise and in a prominent easily accessible area”:</p> <p>(i) A description of the environmental or social characteristics.</p> <p>(ii) Information on the methodologies used to assess, measure and monitor the impact of the fund or investment portfolio’s environmental or social characteristics, including data sources, investment screening criteria and the relevant “sustainability indicators” used to measure the environmental or social characteristics of the fund or investment portfolio.</p> <p>(iii) The information required to be included in pre-contractual disclosures, namely: information on how the characteristics are met; and, if an index has been designated as a reference benchmark, information on whether and how the chosen index is consistent with those characteristics (including an indication of where the calculation methodology may be found).</p> <p>(iv) The information required to be included in periodic reports, namely the extent to which the environmental or social characteristics are met.</p>	<p><b>1.</b> 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):</p> <p>(a) a description of the environmental or social characteristics or the sustainable investment objective;</p> <p>(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;</p> <p>(c) the information referred to in Articles 8 and 9; and</p> <p>(d) the information referred to in Article 11.</p> <p>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.</p> <p><b>2.</b> 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</p>

		<p>The Draft ESG Disclosures RTS set out the finer details on the content and presentation of the above requirements, including the title that must be used for the website section, the titles for each sub-section and the order in which they must appear.</p>	<p>requirements referred to in the second subparagraph of that paragraph.</p> <p>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.</p> <p>The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 30 December 2020.</p> <p>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.</p>
<p><b>Article 8</b> <b>SFDR</b></p>	<p><b>Pre-contractual disclosures</b></p>	<p>Investors must be provided with pre-contractual disclosures containing the information referred to in paragraph (iii) above under “Website disclosures”. The Draft ESG Disclosures RTS prescribe more details on the content, including the template, format, titles for each sub-section and the order in which they must appear.</p>	<ol style="list-style-type: none"> <li><b>1.</b> 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:             <ol style="list-style-type: none"> <li><b>(a)</b> information on how those characteristics are met;</li> <li><b>(b)</b> if an index has been designated as a reference benchmark, information on whether and how this index is consistent with those characteristics.</li> </ol> </li> <li><b>2.</b> Financial market participants shall include in the information to be disclosed pursuant to Article 6(1) and (3) an indication</li> </ol>

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 sub-paragraph 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.

<p><b>Article 11</b> <b>SFDR</b></p>	<p><b>Periodic disclosures</b></p>	<p>Periodic disclosures with the information referred to in paragraph (iv) above under “Website disclosures” must also be provided. An AIFM and a UCITS management company must provide this information in the Annual Report and a MiFID investment firm in its periodic client reporting. The Draft ESG Disclosures RTS prescribe more details on the content, including the template, titles for each sub-section the order in which they must appear.</p>	<ol style="list-style-type: none"> <li><b>1.</b> 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:             <ol style="list-style-type: none"> <li><b>(a)</b> for a financial product as referred to in Article 8(1), the extent to which environmental or social characteristics are met;</li> </ol> </li> <li><b>2.</b> The information referred to in paragraph 1 of this Article shall be disclosed in the following manner:             <ol style="list-style-type: none"> <li><b>(a)</b> for AIFMs, in the annual report referred to in Article 22 of Directive 2011/61/EU;</li> <li><b>(g)</b> for UCITS management companies, in the prospectus referred to in Article 69 of Directive 2009/65/EC;</li> <li><b>(h)</b> for investment firms which provide portfolio management or provide investment advice, in accordance with Article 24(4) of Directive 2014/65/EU.</li> </ol> </li> <li><b>3.</b> 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.</li> <li><b>4.</b> 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.             <p>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</p> </li> </ol>
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			<p>characteristics and objectives and the differences between them. The ESAs shall update the regulatory technical standards in the light of regulatory and technological developments.</p> <p>The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 30 December 2020.</p> <p>Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first sub-paragraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.</p>
SFDR	Baseline Requirements	The baseline requirements set out in Part I of this Annex must also be complied with.	
Article 6 Taxonomy Regulation	Additional Pre-contractual disclosures and Periodic reporting requirements	<p><b><i>From 1 January 2022<sup>4</sup> or 1 January 2023<sup>5</sup>, as applicable:</i></b></p> <p>Where the fund or investment portfolio promotes “environmental characteristics”, the pre-contractual and periodic disclosure requirements under the SFDR (mentioned above) must also include the following additional requirements of the Taxonomy Regulation:</p>	<p>Where a financial product as referred to in Article 8(1) of Regulation (EU) 2019/2088 promotes environmental characteristics, Article 5 of this Regulation shall apply <i>mutatis mutandis</i>.</p> <p>The information to be disclosed in accordance with Articles 6(3) and 11(2) of Regulation (EU) 2019/2088 shall be accompanied by the following statement:</p> <p>“The ‘do no significant harm’ principle applies only to those investments underlying the financial product that take into</p>

<sup>4</sup> With respect to the requirements related to the following two “environmental objectives”: Climate change mitigation and Climate change adaptation, from 1 January 2022.

<sup>5</sup> With respect to the requirements related to the other environmental objectives: Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems, from 1 January 2023.

- (i) Information on the environmental characteristics to which the investment underlying the fund or investment portfolio contributes.
- (ii) A description of how and to what extent the investments underlying the fund or portfolio are in “economic activities” that promotes environmental characteristics. The description must also disclose the relevant proportions of investments in economic activities that promote environmental characteristics.
- (iii) A statement warning investors that only those specific underlying investments qualify as “environmentally sustainable” for the purposes of the Taxonomy Regulation:  
  
 “The ‘do no significant harm’ principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.”

account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.”

**Article 11(5) of the SFDR**

- 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 (c) 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

			<p><b>(b)</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.</p> <p>Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first sub-paragraph 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.</p>
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**Part III: Sustainable Investments as an Investment Objective**

<b>Funds or portfolios that have “sustainable investments”<sup>6</sup> as an investment objective</b>			
	<b>Requirements</b>	<b>Summary</b>	<b>Full Text</b>
<b>Article 10 SFDR</b>	<b>Website disclosures</b>	<p>For each fund or portfolio managed that has sustainable investments as an investment objective, publish and maintain the following information on its website in a manner that is “accurate, fair, clear, not misleading, simple and concise and in a prominent easily accessible area”:</p> <p><b>(i)</b> A description of the “sustainable investment” objective.</p> <p><b>(ii)</b> The methodologies used to assess, measure and monitor the impact of the sustainable investments selected, including the data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the overall sustainable impact of the fund or investment portfolio.</p> <p><b>(iii)</b> The information required to be included in pre-contractual disclosures, namely: an explanation of how the investment objective is to be achieved; or, if an index has been chosen as a reference benchmark, information on how it aligns with the investment objective and an explanation as to why and how the chosen index differs from a broad market index (including information on where the index calculation methodology may be found).</p> <p><b>(iv)</b> The information required to be included in periodic reports, namely: the overall fund or portfolio’s sustainability impact expressed by reference to “sustainability indicators”; or, where an index has been</p>	<p><b>1.</b> 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):</p> <p><b>(a)</b> a description of the environmental or social characteristics or the sustainable investment objective;</p> <p><b>(b)</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;</p> <p><b>(c)</b> the information referred to in Articles 8 and 9; and</p> <p><b>(d)</b> the information referred to in Article 11.</p> <p>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.</p> <p><b>2.</b> The ESAs shall, through the Joint Committee, develop draft regulatory technical standards to specify the details of the</p>

<sup>6</sup> Funds or portfolios that have the “reduction in carbon emissions” as their investment objective are subject to equivalent requirements.

		<p>chosen, a comparison between the fund or the portfolio’s overall sustainability impact and the chosen index, as well as a broad market index (expressed by reference to the sustainability indicators).</p> <p>The Draft ESG Disclosures RTS set out more detail on the content and presentation of the above requirements, including rules on the title for the relevant website disclosure, the sub-titles for each sub-section and the order in which they must appear.</p>	<p>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.</p> <p>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.</p> <p>The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 30 December 2020.</p> <p>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.</p>
<p><b>Article 9 SFDR</b></p>	<p><b>Pre-contractual disclosures</b></p>	<p>Investors must be provided with pre-contractual disclosures containing the information referred to in paragraph (iii) above under “Website disclosures”. The Draft ESG Disclosures RTS prescribe more details on the content, including format, titles for each sub-section and the order in which they must appear.</p>	<ol style="list-style-type: none"> <li><b>1.</b> 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:             <ol style="list-style-type: none"> <li><b>(a)</b> information on how the designated index is aligned with that objective;</li> <li><b>(b)</b> an explanation as to why and how the designated index aligned with that objective differs from a broad market index.</li> </ol> </li> <li><b>2.</b> Where a financial product has sustainable investment as its objective and no index has been designated as a reference</li> </ol>

			<p>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.</p> <p><b>3.</b> 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.</p> <p>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 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.</p> <p><b>4.</b> 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.</p>
<p>Article 11 SFDR</p>	<p>Periodic disclosures</p>	<p><b>From 1 January 2022:</b></p> <p>Periodic disclosures with the information referred to in paragraph (iv) above under “Website disclosures” must also be provided. The periodic information must be published in the AIFM or UCITS management company’s Annual Report and by a MiFID investment firm in the periodic client reporting. The Draft ESG Disclosures RTS prescribe the</p>	<p><b>1.</b> 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:</p> <p><b>(b)</b> for a financial product as referred to in Article 9(1), (2) or (3):</p>



content in more detail, including the template, titles for each sub-section, and the order in which they must appear.

- (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;

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;
- (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.

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

			<p>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.</p> <p>The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 30 December 2020.</p> <p>Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first sub-paragraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.</p>
<b>SFDR</b>	<b>Baseline Requirements</b>	The baseline requirements set out in Part I of this Annex must also be complied with.	
<b>Article 5 Taxonomy Regulation</b>	<b>Additional Pre-contractual disclosures and Periodic reporting requirements</b>	<p><b><i>From 1 January 2022<sup>7</sup> or 1 January 2023<sup>8</sup>, as applicable:</i></b></p> <p>Where the fund or portfolio makes “environmentally sustainable investments”, the pre-contractual and periodic disclosure requirements under the SFDR (mentioned above) must also include the following additional requirements of the Taxonomy Regulation:</p> <p>(i) Information on the “environmental objectives” to which the investment underlying the fund or investment portfolio contributes.</p>	<p>Where a financial product as referred to in Article 9(1), (2) or (3) of Regulation (EU) 2019/2088 invests in an economic activity that contributes to an environmental objective within the meaning of point (17) of Article 2 of that Regulation, the information to be disclosed in accordance with Articles 6(3) and 11(2) of that Regulation shall include the following:</p> <p>(a) the information on the environmental objective or environmental objectives set out in Article 9 of this Regulation to which the investment underlying the financial product contributes; and</p>

<sup>7</sup> With respect to the requirements related to the following two “environmental objectives”: Climate change mitigation and Climate change adaptation, from 1 January 2022.

<sup>8</sup> With respect to the requirements related to the other environmental objectives: Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems, from 1 January 2023.

**(ii)** A description of how and to what extent the investments underlying the fund or portfolio are in “economic activities” that qualify as “environmentally sustainable”. The description must also disclose the relevant proportions of investments in “environmentally sustainable economic activities” in the manner prescribed by the Regulation.

**(b)** a description of how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of this Regulation.

The description referred to in point (b) of the first subparagraph of this Article shall specify the proportion of investments in environmentally sustainable economic activities selected for the financial product, including details on the proportions of enabling and transitional activities referred to in Article 16 and Article 10(2), respectively, as a percentage of all investments selected for the financial product.

***Article 11(5) of the SFDR***

**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 (c) 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.

			<p>The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission:</p> <ul style="list-style-type: none"><li>(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</li><li>(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.</li></ul> <p>Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first sub-paragraph 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.</p>
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