

ESG: New Disclosure Rules for Investment Managers

November 25, 2020

1. New EU and UK disclosure requirements

The new disclosure requirements for investment managers and advisers¹ with respect to their environmental, social and corporate governance (ESG) policies will apply in the European Union from 10 March 2021². New climate-related disclosures will apply to investment managers in the United Kingdom under a UK disclosures regime that is expected to be phased in from 2022. Although the finer details implementing the new frameworks have not yet been finalised, or in the case of the UK, have not yet been published, it is clear that the EU and the UK have ambitious plans for enhancing ESG disclosure in the financial sector.

We outline below the key provisions under the Sustainable Finance Disclosure Regulation³ (SFDR) and, at a higher level, the Taxonomy Regulation⁴. We also outline the key principles of the proposed UK mandatory climate-related disclosures regime for investment managers, which will be based on the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

Certain key terms used in this alert are defined in [Annex 1](#).

2. What is the background to the new rules?

The new rules are part of the EU's Sustainable Finance Action Plan⁵ and the European Green Deal⁶ which seek to transition the EU to a more resource-efficient and sustainable economy, and to build a financial system that supports sustainable growth. In the UK, the new rules will form part of the Government's Green Finance Strategy⁷ and the "Roadmap towards mandatory climate-related disclosures"⁸. These requirements are complementary to the disclosure requirements regarding governance and shareholder engagement introduced by the second Shareholder Rights Directive⁹, and echoed in the revised UK Stewardship Code¹⁰. These initiatives seek to direct investment flows to issuers and sectors with more sustainable business and operational models, and to place ESG at the forefront of the investment process, alongside returns.

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Further, with a specific focus on environmental issues, the Taxonomy Regulation establishes a harmonised system for the classification of environmentally sustainable activities in the EU. It aims to facilitate investors comparing the sustainability of investments against a consistent set of standards. The Taxonomy Regulation enhances the existing corporate disclosure requirements and introduces product labelling and disclosure requirements for a wide range of entities and financial products¹¹.

3. When do the new requirements apply?

Application of the EU rules

The SFDR will apply in the EU in phases from 10 March 2021, and the Taxonomy Regulation will apply in the EU in phases from 1 January 2022. [Annex 2](#) sets out the applicable commencement dates of the specific requirements in more detail.

Application of the UK rules

The UK has stated that climate-related disclosure rules developed in accordance with the TCFD recommendations are expected to apply in the UK from 2022 for the largest investment managers (those with assets under management in excess of £50 billion) and from 2023 for other investment managers. The Financial Conduct Authority (FCA) is currently developing detailed policy proposals with a view to publishing a consultation paper in the first half of 2021.

Delays and regulatory forbearance due to COVID-19

The European Commission has postponed¹² to a "later stage" the deadline for the drafting of secondary legislation implementing the SFDR disclosure requirements ("Draft ESG Disclosures RTS"¹³). However, despite this delay, the Commission stated that there will be no regulatory forbearance for market participants in relation to complying with the SFDR's general principles of sustainability-related disclosures in three specific areas, as these requirements are not "conditional on the formal adoption and entry into force or application" of the secondary legislation.

The three main disclosure requirements specified by the European Commission are: (a) the disclosures related to the integration of sustainability risks in the investment decision-making process; (b) the pre-contractual disclosure requirements applicable in the case of financial products that are promoted as having an ESG-focus or that have ESG as an investment objective; and (c) the disclosures related to whether the investment manager (or the financial product) considers the principal adverse impacts of investment decisions on sustainability.

The European Commission also made an important clarification about its expectations of market participants (including investment managers) under the **current** regulatory frameworks (which includes the AIFMD, MiFID II and the UCITS Directive), as it stated that market participants are already required to integrate sustainability into their investment decision-making processes and that product manufacturers (such as investment managers) are already expected to disclose information to investors on how the level of sustainability of an ESG-focused product is achieved.

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4. Which investment managers are in-scope of the new rules?

The SFDR and the Taxonomy Regulation apply to "financial market participants" and "financial products", each of which is defined by reference to EU legislation and includes MiFID investment firms, alternative investment fund managers (AIFMs) and UCITS management companies and the funds and portfolios they manage (e.g. AIFs, UCITS and managed/segregated accounts)¹⁴. The SFDR will also be relevant to "financial advisers", including investment advice provided by AIFMs, MiFID investment firms and UCITS management companies.

The UK disclosures regime will apply to seven "categories of organisation", which includes FCA-authorized investment managers (defined to include AIFMs, MiFID investment firms providing portfolio management services and UCITS management companies) as one of those categories.

5. What are the new EU and UK requirements?

UK Disclosures Regime

The UK will introduce new disclosure requirements for FCA-authorized investment managers based on the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). The UK's Joint Government-Regulator TCFD Taskforce, which includes the FCA, has stated that the proposed UK rules are anticipated to include "disclosure of strategy, policies and processes at the firm level, covering relevant recommended disclosures; complemented by more targeted disclosures at the fund or portfolio level."¹⁵

The Taskforce also stated that the proposed UK disclosure requirements will "interact with related international initiatives, including those that derive from the EU's Sustainable Finance Action Plan", such as the SFDR. While the UK will adopt a similar regime, the rules are unlikely to be identical. As such, UK investment managers will need to consider the requirements they would have to comply with under the SFDR were that Regulation to apply.

SFDR and the Taxonomy Regulation

The SFDR imposes transparency and disclosure obligations on investment managers, including in relation to their policies on sustainability and remuneration, marketing communications, pre-contractual disclosures and periodic reporting to investors. The requirements are set out in more detail in [Annex 2](#) of this client alert.

The SFDR imposes requirements on all investment managers, irrespective of whether the manager manages or markets funds or portfolios with an ESG-focus. The requirements include disclosures by the investment manager on how it integrates sustainability into its decision-making processes, how its remuneration policy is consistent with such requirement and ensuring that its marketing communications do not contradict the disclosures under SFDR. Some SFDR requirements apply on a "comply-or-explain" basis, meaning that an investment manager must decide whether to comply with the applicable requirement or not, and in the absence of compliance, must publish its reasons for such decision on its website and disclose such fact to

investors in pre-contractual documentation. The requirements that apply to all managers regardless of whether the products they market have an ESG focus are set out in Part I of [Annex 2](#).

The SFDR also introduces additional requirements which apply to financial products that have an ESG-focus, i.e., where the product promotes environmental or social characteristics ("light green"), or has sustainability as an investment objective ("dark green"). The Taxonomy Regulation provides an additional overlay of requirements, principally for "light green" and "dark green" financial products. These additional requirements are set out in Parts II and III of [Annex 2](#) respectively.

Proposed amendments to AIFMD, MiFID II and the UCITS Directive

In addition to the requirements under the SFDR, there are proposed changes to the suitability assessment requirements under the second Markets in Financial Instruments Directive¹⁶ (MiFID II), and to the risk management policies, organisational requirements and operating conditions applicable to investment managers authorised under MiFID II, the Alternative Investment Fund Managers Directive¹⁷ (AIFMD) and the Undertakings for Collective Investment in Transferable Securities Directive (UCITS Directive)¹⁸. The proposed amendments to the AIFMD¹⁹, MiFID II²⁰ and the UCITS Directive²¹ (the "Sustainability Amendments") have not yet been adopted by the European Commission. Once adopted, the Amendments are expected to apply from the second half of 2021, though further delays are possible.

The proposed amendments to the AIFMD, MiFID II and the UCITS Directive complement the manager-level requirements under the SFDR by clarifying and setting out in more detail the manner in which an investment manager must integrate sustainability into its internal policies, procedures and organisational arrangements. The key requirements will impact a firm's investment due diligence policies, conflicts of interest requirements, organisational and risk management policies and arrangements, suitability assessments and the product governance rules.

6. What is the impact of Brexit?

The requirements of the SFDR and the Taxonomy Regulation (and once adopted, the Sustainability Amendments) will apply after 31 December 2020. This means that for the purposes of the European Union (Withdrawal) Act 2018 (as amended), the EU Regulations are not "operative" and will therefore not automatically form part of English law after 31 December (a process that is referred to as "onshoring"). It has also become clear from the Brexit Statutory Instruments published during the onshoring process, that the UK will not implement SFDR into English law. The latest example is the omission from the English version of the law of the only few sections of the SFDR which are currently in force and that relate to the drafting of secondary legislation²². This means that FCA-authorized investment managers will not be subject to a UK-equivalent version of the SFDR on 10 March 2021.

7. Do the EU rules have an extraterritorial reach?

The extraterritorial application of the SFDR to UK and other non-EU investment managers is currently unclear, but the broad drafting of the SFDR and certain guidance provided by the European Commission suggest the possibility that "financial markets participants" and "financial products" could also include non-EU investment managers, such as when marketing a non-EU fund under a national private placement regime in the EU.

Guidance issued by the European Commission and the Technical Expert Group on Sustainable Finance in relation to the Taxonomy Regulation²³ notes that the disclosure obligations for financial market participants in the Taxonomy Regulation apply to "anyone offering financial products in the EU, regardless of where the manufacturer of such products is based". The guidance goes on to state that this approach "is no different to other corporate or financial product disclosure obligations already in place in the EU. This international influence of the [EU] Taxonomy will exist despite there being no intention to bind third countries on their own sustainability or sustainable finance activities." By analogy, the existing product governance rules under MiFID II require EU firms to provide certain disclosures with respect to funds they market, regardless of where the fund or its manager is located. The rules do not, however, apply directly to non-EU managers.

In the absence of definitive guidance regarding the extraterritorial application of the disclosure requirements under the SFDR and the Taxonomy Regulation, certain EU jurisdictions may apply the EU rules more widely, e.g., by requiring non-EU fund managers to comply with the disclosure requirements as an additional condition for marketing under the applicable private placement regime in that jurisdiction. Accordingly, it is useful to distinguish between requirements that apply to the financial product and those that apply to the investment manager. The European Supervisory Authorities have published draft "product disclosure templates" intended to standardise the format of product-level disclosure²⁴.

In any event, SFDR will be relevant to all investment managers marketing to EU investors as they will be expected to disclose information that allows EU investors to carry out appropriate due diligence and make investments consistent with their regulatory obligations.

Further, the EU-wide application is also likely to have an impact on the delegated portfolio management arrangements where non-EU investment managers provide investment management services to EU AIFMs, UCITS management companies and MiFID investment firms.

8. Next steps

Investment managers will need to assess the direct and indirect application of the SFDR on their operations. A first step for many investment managers is to consider the ability and willingness of the business to comply with the requirements and the extent to which compliance is possible. This will require the involvement and input of

management, and it is clear that meaningful compliance with the SFDR is not an exercise confined to the legal and compliance function.

In the first instance, investment managers should assess their existing ESG policies and practices and assess these against the SFDR requirements in order to identify gaps. Investment managers will need to be mindful of the potential divergent approaches, particularly in the detailed application of the rules, taken by the EU and the UK in developing their own ESG-disclosure standards.

The compliance exercise may require the introduction or revision of ESG policies, and extend to other policies and procedures, including in respect of remuneration practices, investment due diligence, portfolio review and investment decision-making processes. This may require the development of additional benchmarks or investment criteria, the introduction of additional data providers or new technology in order to provide the business with the means required to implement the new policies in practice. Additionally, marketing communications and pre-contractual disclosures may need to be reviewed to ensure that these include the requisite disclosures and are consistent with the updated policies and practices.

¹ AIFMs, MiFID investment firms and UCITS management companies providing investment management and/or investment advisory services. This note only covers the disclosure requirements for fund/portfolio managers – a sub-set of these rules also apply to firms that provide investment advice, which we have not detailed in this note.

² With some of the requirements taking effect at a later date, from 2022.

³ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ([here](#)).

⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ([here](#)).

⁵ See [here](#).

⁶ See [here](#).

⁷ See [here](#).

⁸ See [here](#).

⁹ Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement ([here](#)).

¹⁰ See [here](#).

¹¹ The discussion of the corporate disclosure requirements is beyond the scope of this note.

¹² See [here](#).

¹³ Draft Regulatory Technical Standards (RTS) with regard to the content, methodologies and presentation of disclosures pursuant to Article 2a, Article 4(6) and (7), Article 8(3), Article 9(5), Article 10(2) and Article 11(4) of Regulation (EU) 2019/2088 ([here](#)).

¹⁴ "Financial advisers", which includes MiFID investment firms providing investment advice, and AIFMs and UCITS management companies providing investment advice under their MiFID top-up permissions, are subject to a sub-set of the new disclosure requirements in relation to the "investment advice" provided to clients.

¹⁵ Interim Report of the UK's Joint Government-Regulator TCFD Taskforce, HM Treasury, 9 November 2020 ([here](#)).

¹⁶ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ([here](#)) and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ([here](#)).

¹⁷ Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers ([here](#)).

¹⁸ Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) ([here](#)).

¹⁹ Commission Delegated Regulation amending Delegated Regulation (EU) No. 231/2013 as regards sustainability risks and sustainability factors to be taken into account by alternative investment fund managers ([here](#)).

²⁰ Commission Delegated Directive amending Delegated Directive (EU) 2017/593 as regards the integration of sustainability factors and preferences into the product governance obligations ([here](#)) and Commission Delegated Regulation amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, risks and preferences into certain organisational requirements and operating conditions for investment firms ([here](#)).

²¹ Commission Delegated Directive amending Directive 2010/43/EU as regards the sustainability risks and sustainability factors to be taken into account for UCITS ([here](#)).

²² The Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020 ([here](#)) and the Draft Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 ([here](#)).

²³ Frequently Asked Questions about the work of the European Commission and the Technical Expert Group on Sustainable Finance on EU Taxonomy & EU Green Bond Standard, 10 June 2020 ([here](#)).

²⁴ ESAs Survey on templates for Environmental and/or Social financial products under SFDR, 21 September 2020 ([here](#)).

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ANNEX 1: KEY DEFINITIONS

Under the SFDR and the Taxonomy Regulation	
Financial Market Participant	<p>One of the following:</p> <ul style="list-style-type: none"> • an insurance undertaking which makes available an insurance-based investment product (IBIP) • an investment firm which provides portfolio management • an institution for occupational retirement provision • a manufacturer of a pension product • an alternative investment fund manager (AIFM) • a pan-European personal pension product (PEPP) provider • a manager of a qualifying venture capital fund registered under the European venture capital funds (EuVECA) Regulation¹ • a manager of a qualifying social entrepreneurship fund registered under the European social entrepreneurship funds (EuSEF) Regulation² • a management company of an undertaking for collective investment in transferable securities (UCITS management company) • a credit institution which provides portfolio management.
Financial Product	<p>One of the following:</p> <ul style="list-style-type: none"> • an investment portfolio (e.g. a managed/segregated account or discretionary/portfolio management) • an alternative investment fund (AIF) • an IBIP • a pension product • a pension scheme • a UCITS • a PEPP.
AIFM	<p>An “alternative investment fund manager” as defined in AIFMD, i.e. a legal person whose regular business is managing one or more AIFs.</p>

¹ See [here](#).

² See [here](#).

Under the SFDR		Under the Taxonomy Regulation	
Sustainable Investment	<p>An investment in:</p> <ul style="list-style-type: none"> 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 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 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. 	Environmentally Sustainable Investment	An investment in one or several economic activities that qualify as environmentally sustainable under this Regulation.
		Environmentally Sustainable Economic Activities	<p>An economic activity that qualifies as environmentally sustainable in accordance with the following cumulative criteria:</p> <ul style="list-style-type: none"> contributes substantially to one or more of the Environmental Objectives in accordance with the more detailed rules in the Taxonomy Regulation on how this can be achieved for each Environmental Objective; does not significantly harm any of the Environmental Objectives in accordance with the more detailed rules in the Taxonomy Regulation on what constitutes significant harm for each Environmental Objective; is carried out in compliance with the minimum safeguards laid down in the Taxonomy Regulation; and complies with the technical screening criteria that have been or will be established by the European Commission.
Sustainability Factors	Environmental, social and employee matters, respect for human rights, anticorruption and anti-bribery matters.	Environmental Objectives	<ul style="list-style-type: none"> Climate change mitigation. Climate change adaptation. The sustainable use and protection of water and marine resources. The transition to a circular economy. Pollution prevention and control. The protection and restoration of biodiversity and ecosystems.
Sustainability Risk	An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material adverse impact on the value of the investment.		
Principal Adverse Impacts	The impacts of investment decisions and advice that have a negative effect on the Sustainability Factors.		

ANNEX 2: THE SFDR AND TAXONOMY REGULATION

Part I: Requirements applicable to all strategies and products

Baseline Requirements			
Reference	Requirement ¹	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"> 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.
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> <ol style="list-style-type: none"> (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. (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. 	<ol style="list-style-type: none"> 1. Financial market participants shall publish and maintain on their websites: <ol style="list-style-type: none"> (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: <ol style="list-style-type: none"> (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

¹ The requirements apply from 10 March 2021 unless otherwise specified.

			reporting and, where relevant, the degree of their alignment with the objectives of the Paris Agreement.
Article 5 SFDR	Remuneration policies and associated website disclosures	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.	<ol style="list-style-type: none"> 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 SFDR	Pre-contractual disclosures	<p><i>Integration of sustainability risks in investment decisions</i></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 not 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>	<ol style="list-style-type: none"> 1. Financial market participants shall include descriptions of the following in pre-contractual disclosures: <ol style="list-style-type: none"> (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. <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> 3. The information referred to in paragraphs 1 and 2 of this Article shall be disclosed in the following manner: <ol style="list-style-type: none"> (a) for AIFMs, in the disclosures to investors referred to in Article 23(1) 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.

<p>Article 7 SFDR</p>		<p>Assessing the adverse impact investment decisions have on sustainability</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>From 30 December 2022:</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>From 10 March 2021:</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>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) [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>(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>Article 13 SFDR</p>	<p>Marketing communications</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 (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.</p>
<p>Article 7 Taxonomy Regulation</p>	<p>Statement of Non-Compliance with Taxonomy Regulation</p>	<p>From 1 January 2022² or 1 January 2023³, as applicable:</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>

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

3 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

Funds or portfolios that promote environmental or social characteristics

Reference	Requirement	Summary	Full Text
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> <ul style="list-style-type: none"> (i) A description of the environmental or social characteristics. (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. (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). (iv) The information required to be included in periodic reports, namely the extent to which the environmental or social characteristics are met. <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>	<ol style="list-style-type: none"> 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): <ul style="list-style-type: none"> (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; and (d) the information referred to in Article 11. <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> 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. <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</p>

			<p>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>Article 8 SFDR</p>	<p>Pre-contractual disclosures</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>	<p>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:</p> <ul style="list-style-type: none"> (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. <p>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.</p> <p>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.</p> <p>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.</p> <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 characteristics and the differences between them, as well as the objective that disclosures are to be accurate, fair, clear, not misleading, simple and concise.</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>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.</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</p>

			<p>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.</p> <p>The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission:</p> <p>(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> <p>(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 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>
<p>Article 11 SFDR</p>	<p>Periodic disclosures</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>	<p>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:</p> <p>(a) for a financial product as referred to in Article 8(1), the extent to which environmental or social characteristics are met;</p> <p>2. The information referred to in paragraph 1 of this Article shall be disclosed in the following manner:</p> <p>(a) for AIFMs, in the annual report referred to in Article 22 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>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.</p> <p>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.</p> <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 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 subparagraph 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>From 1 January 2022⁴ or 1 January 2023⁵, as applicable:</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>(i) Information on the environmental characteristics to which the investment underlying the fund or investment portfolio contributes.</p> <p>(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.</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 account the EU criteria for environmentally sustainable economic activities.</p> <p>The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.”</p>

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

⁵ 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.

(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.”

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
- (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.

Part III: Sustainable Investments as an Investment Objective

Funds or portfolios that have “sustainable investments” as an investment objective			
	Requirements	Summary	Full Text
Article 10 SFDR	Website disclosures	<p>For each fund or portfolio managed that has sustainable investments⁶ 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>(i) A description of the “sustainable investment” objective.</p> <p>(ii) 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>(iii) 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>(iv) 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 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>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):</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>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.</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</p>

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

			subparagraph in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.
Article 9 SFDR	Pre-contractual disclosures	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>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:</p> <p>(a) information on how the designated index is aligned with that objective;</p> <p>(b) an explanation as to why and how the designated index aligned with that objective differs from a broad market index.</p> <p>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.</p> <p>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.</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>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.</p>
Article 11 SFDR	Periodic disclosures	<p>From 1 January 2022:</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 content in more detail, including the template, titles for each sub-section, and the order in which they must appear.</p>	<p>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:</p> <p>(b) for a financial product as referred to in Article 9(1), (2) or (3):</p> <p>(i) the overall sustainability-related impact of the financial product by means of relevant sustainability indicators; or</p> <p>(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;</p>

			<p>2. The information referred to in paragraph 1 of this Article shall be disclosed in the following manner:</p> <ul style="list-style-type: none"> (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. <p>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.</p> <p>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.</p> <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 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 subparagraph 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.	

<p>Article 5 Taxonomy Regulation</p>	<p>Additional Pre-contractual disclosures and Periodic reporting requirements</p>	<p><i>From 1 January 2022⁷ or 1 January 2023⁸, as applicable:</i></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> <ul style="list-style-type: none"> (i) Information on the “environmental objectives” 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 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. 	<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> <ul style="list-style-type: none"> (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 (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. <p>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.</p> <p><i>Article 11(5) of the SFDR</i></p> <p>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.</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 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.</p> <p>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> <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"> (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. <p>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>
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⁷ With respect to the requirements related to the following two “environmental objectives”: Climate change mitigation and Climate change adaptation, from 1 January 2022.

⁸ 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.