

3. ~~4.~~Draft RTS

COMMISSION DELEGATED REGULATION (EU) No .../..

of ~~XXX~~ supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector with regard to regulatory technical standards specifying the content, methodologies and presentation of information in relation to sustainability indicators and the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, websites and periodic reports

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector ~~[⁵(1)]~~, and in particular Article 2a(3), the third subparagraph of Article 4(6) ~~and (7)~~, the second subparagraph of Article 4(7), the fourth subparagraph of Article 8(3), the fourth subparagraph of Article 9(5), the fourth subparagraph of Article 10(2) and the fourth subparagraph of Article 11(4) thereof,

Whereas:

- (1) Regulation (EU) 2019/2088 establishes harmonised rules for ~~the disclosure of~~ sustainability-related ~~risks~~disclosures by financial market participants and financial advisers. ~~The~~This Regulation lays down the content, methodologies and presentation of entity level principal adverse impacts ~~are laid down in this Regulation. The~~as well as the content and presentation of financial ~~products'~~product level pre-contractual, website and periodic ~~disclosure~~disclosures.
- (2) To ensure that end investors are ~~also laid down in this Regulation.~~
~~(2) In order to ensure sufficient comparability of entity level principal adverse impact disclosures, the information should be disclosed annually in relation to common reference points in the form laid down in Annex I of this Regulation. The statement should be updated each year to show progress made towards reducing the principal adverse impacts of investment decisions on environmental and societal factors. (3) For the purposes of the assessment of principal adverse impacts by financial market participants, an investment in an investee company or an entity includes direct holdings of capital instruments issued by those entities and any other exposure to those entities through derivatives or otherwise.~~in a position to take informed decisions to assist the transition to a low carbon, more sustainable, resource efficient and circular economy to achieve the sustainable development goals of the Union, sustainability-related disclosures should be sufficiently clear, concise and prominent. End investors should have

⁵ OJ L 317, 9.12.2019, p. 1-16.

access to reliable data that can be used and analysed in a timely and efficient manner. Therefore, certain disclosed information, such as the international securities identification numbers (ISINs) identifying the securities, and the legal entity identifiers (LEIs) identifying the entities, should be mentioned where available.

- (3) The content and presentation of sustainability-related disclosures relating to a complex financial product, such as a financial product that references a basket of indexes, should provide end investors with a comprehensive view of the features of the financial product.

- (4) To ensure that the assessment of principal adverse impacts of investment decisions on sustainability factors is comprehensive, it is appropriate to include direct and indirect investments of financial market participants in assets such as investee companies, sovereigns, supranational entities and real estate. For the same reason, where the investee company is a holding company, collective investment undertaking or special purpose vehicle, financial market participants that have sufficient information about the adverse impacts of the investment decisions of those companies should look through to the individual underlying investments of those companies and consider the total adverse impacts arising from them. Where they do not have such information, they cannot be considered to take into account the principal adverse impacts of their investment decisions on sustainability factors.
- (5) In the case of investment decisions where an investment exclusively finances a project or type of project, such as an investment in a green bond, social bond or project bond, the assessment of the adverse impacts of the investment decisions should be limited to the adverse impacts of the targeted project or type of project.
- (6) ~~(4)~~ Union objectives of the European Green Deal, in particular carbon neutrality, increasing the share of renewable energy and energy efficiency ~~and~~, the protection of biodiversity, ~~and water and the elimination of waste~~ mean that it is essential that any adverse impacts in these areas are always identified as principal adverse impacts. Equally, adverse impacts relating to core principles of the Union, in particular certain social and employee matters, respect for human rights, anti-corruption and anti-bribery matters should be identified as principal adverse impacts. The ~~2011~~ Communication on a Renewed EU Strategy for Corporate Social Responsibility of the Commission ~~2011-14~~ ⁽²⁾ recalls the importance of working towards the
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² COM/2011/0681.

implementation of the [UN United Nations](#) Guiding Principles on Business and Human Rights because of their contribution to Union objectives in relation to specific human rights issues, such as child labour and forced prison labour, as well as core labour standards, including gender equality, non-discrimination, freedom of association and the right to collective bargaining.

~~(5) In order to prioritise adverse impacts and identify other principal adverse impacts, it is key that financial market participants understand their scope, severity, probability of occurrence and potentially irremediable character on sustainability factors. Scope concerns the reach of the effects of the impact, for example the number of individuals that could be affected or the extent of environmental damage such as the volume of water polluted or melting glaciers that could lead to floods, loss of water power capacity, decrease of revenues from tourism and agriculture and thus higher unemployment and non-performing loans. Probability of occurrence refers to the likelihood of adverse impacts to materialise. It is appropriate to standardise certain common adverse impacts which are considered to be measurable to provide a common reference point for the purposes of identifying which of those impacts are principal.~~

~~(6) In order to identify and prioritise other principal adverse impacts it is important that financial market participants understand their scope, severity, probability of occurrence and potentially irremediable character on sustainability factors. Scope concerns the reach of the effects of the impact, for example the number of individuals that could be affected or the extent of environmental damage such as the volume of water polluted or melting glaciers that could lead to floods, loss of water power capacity, decrease of revenues from tourism and agriculture and thus higher unemployment and non-performing loans. Probability of occurrence refers to the likelihood of adverse impacts to materialise. It is appropriate to standardise certain common principal adverse impacts which are considered to provide a common reference point for the purposes of identifying which of those impacts are principal.~~

(7) Financial ~~market participants may~~ markets participants should consider additional indicators for principal adverse impacts, having regard to the common reference indicators set out in this Regulation. In particular, financial market participants should prioritise and identify additional principal adverse impacts by considering the scope, severity, probability of occurrence and potentially irremediable character on sustainability factors. For this purpose, the scope should concern the reach of the effects of the impact, for example the number of individuals that could be affected, such as higher unemployment and non-performing loans, or the extent of environmental damage, such as the volume of water polluted, soil degradation or melting glaciers and reduced amounts of snow that could lead to loss of water power capacity, decreases in revenues from tourism and agriculture or rising sea levels causing floods, coastal erosion and more frequent and intense coastal storms. The probability of occurrence and the potentially irremediable character of the principal adverse impacts on sustainability factors should concern the likelihood of adverse impacts materialising and whether these materialised impacts could lead to irreparable environmental or social harm.

(8) Financial market participants should identify principal adverse impacts on sustainability factors through ~~various~~ all reasonable means available. For example,

they may employ external

market research providers, internal financial analysts and specialists in the area of sustainable investments, undertake specifically commissioned studies, use publicly available information or shared information from peer networks or collaborative initiatives. Financial market participants may also engage directly with the management of investee companies to better understand the risk of adverse impacts on sustainability factors. Direct engagement may be particularly necessary in situations where there is an insufficient level of data available.

- (9) While financial market participants should report on as many principal adverse impacts as is required based on the materiality of their investments, despite the various means available to obtain information, information is not always readily available for all of the sustainability indicators at this stage. Therefore, for reasons of proportionality, financial market participants should only be required to report on at least one additional principal adverse impact relating to the climate or other environment related sustainability factor and at least one additional principal adverse impact relating to a social, employee, human rights, anti-corruption or anti-bribery sustainability factor.
- (10) It is appropriate to standardise the metrics used to assess certain adverse impacts which are considered to be measurable and important to provide a common reference point for the purposes of identifying which of those impacts are principal and to ensure comparability. To ensure coherence between other sustainability-related disclosures, where relevant, those common reference indicators should be based on similar indicators used in the minimum standards for the EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 ⁽³⁾ and the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives supplementing 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, and amending Regulation (EU) 2019/2088 ⁽⁴⁾.
- (11) The information on principal adverse impacts should relate to common reference periods and be published by a common date to ensure comparability of the information as well as to provide financial market participants with sufficient time to carry out the assessment. Within the reference period, the portfolios of investments of financial market participants may change on a daily basis. Therefore, financial market participants may apply varying levels of due diligence in the calculation of their principal adverse impacts. To ensure that a common and proportionate minimum level of due diligence is maintained, the calculation should be undertaken on at least four specific dates to obtain a representative level of principal adverse impacts for the reference period and that level should be disclosed on an annual basis. Moreover, to ensure adequate disclosure is made in relation to the

³ OJ L 171, 29.6.2016, p. 1.

⁴ OJ L 198, 22.6.2020, p. 13.

consideration of principal adverse impacts over time, financial market participants should provide a historical year-by-

year comparison of their reports prepared in accordance with this Regulation for at least the five previous reference periods.

(12) To ensure appropriate treatment of a financial market participant that considers principal adverse impacts for the first time in a given calendar year and to ensure end investors receive sufficient information before taking their investment decisions, that financial market participant should disclose information on the actions planned or targets set by the financial market participant for the next reference period to avoid or reduce the principal adverse impacts identified, the policies to identify and prioritise principal adverse impacts on sustainability factors and the international standards to be applied.

(13) To ensure increased comparability for end investors and interested parties of the principal adverse impact disclosures set out in this Regulation, it is appropriate to require that financial market participants provide a summary of that information in a language customary in the sphere of international finance and in a language of all the Member States where that financial market participant's financial products are marketed.

~~(14) (8) Financial advisers are being provided with~~ receive information on principal adverse sustainability impacts ~~by~~ from financial market participants. Information provided by financial advisers on whether and how they take into account adverse sustainability impacts within their investment or insurance advice should clearly ~~spell out~~ describe how the information provided by financial market participants is processed and integrated in their investment or insurance advice. In particular, ~~should the~~ where financial ~~adviser~~ advisers rely on adverse sustainability impacts criteria ~~for integration of~~ to include financial products or financial market participants ~~within the advisory portfolio, such criteria should be stated.~~

~~(9) The disclosure requirements in this Regulation are designed to impose fundamental regulatory requirements which are appropriate for all financial market participants and were regarded as necessary to meet the objective of Regulation (EU) 2019/2088. Depending on their size and nature, a significant number of financial market participants fall under the scope of Regulation (EU) 2019/2088. Financial market participants exceeding the number of 500 employees on their own balance sheet or, where they are parent undertakings, on their group balance sheet are subject to the disclosure obligations on principal adverse impacts at entity level set out in this Regulation. Financial market participants below the threshold of 500 employees should at least explain where they do not consider adverse impacts of investments decisions on sustainability factors the reasons to not consider them. Similarly, financial advisers that consider principal adverse impacts on sustainability factors in their advice are subject to the disclosure obligations set out in this Regulation.~~

~~(10) Financial market participants should present the pre-contractual and periodic information in the manner set out in the relevant sectoral legislation. In addition to these sectoral requirements, for the purposes of the disclosures, it is necessary to specify further principles for the presentation of information.~~

~~(11) The assessment of principal adverse impacts included in this Regulation relates only to the activities of the financial market participants and financial advisers within the~~

scope of Regulation (EU) 2019/2088.

~~(12) With respect to the content of the periodic disclosure obligations under Article 11 of Regulation (EU) 2019/2088, financial market participants should disclose a minimum set of standardised and comparable relevant quantitative and qualitative indicators to show how their product meets its characteristics or objectives. These indicators should be relevant to the design and investment strategy of the financial product as described in the financial product's pre-contractual information.~~

~~(13) To ensure that end-investors have access to reliable data that can be used and analysed in a timely and efficient matter, certain disclosed information, such as the international securities identification numbers (ISINs) identifying the securities, and the legal entity identifiers (LEIs) identifying the entities, should be mentioned where available. Disclosed information should remain publicly available for at least 10 years after its publication, to ensure that their period of public availability is aligned with those of annual and half-yearly financial reports under Directive 2004/109/EC and of prospectuses under Regulation (EU) 2017/1129. those criteria should be published.~~

(15) ~~(14)~~ Bearing in mind the limitations of current carbon ~~foot printing~~footprint metrics, where financial market participants make reference to the degree of ~~their~~ alignment of their financial products with the objectives of the Paris Agreement adopted under ~~Article 4(2)(d) of the United Nations Framework Convention on Climate Change ('the Paris Agreement')~~ within their entity-level disclosure in accordance with Regulation (EU) 2019/2088, ~~this~~the disclosure should be carried out on the basis of forward ~~looking~~ climate scenarios, for example as outlined in the Financial Stability Board Task Force on Climate-related Financial Disclosure's Technical Supplement on ~~The~~the Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities⁶.

(16) ~~(15)~~ Action~~Actions~~ by financial market participants in relation to principal adverse sustainability impacts ~~according to Article 4(2)(b) of Regulation 2019/2088 and Article 7 of this Regulation~~ may include but are not limited to exercising voting rights as a shareholder, sending letters to or attending meetings with the management of investee companies, setting up documented and time-bound engagement in actions or shareholder dialogue with specific sustainability objectives, and planning escalation measures in case those objectives are not achieved, including reductions of investments or exclusion decisions.

(17) ~~(16)~~ ~~In their website product disclosure,~~ Regulation (EU) 2019/2088 requires financial market participants ~~should disclose additional details regarding the product's investment strategy provided that such information is consistent with~~ present the pre-contractual and periodic information in the manner set out in the relevant sectoral legislation. In addition to these sectoral requirements, for the purposes of the disclosures required by Regulation (EU) 2019/2088, it is necessary to specify further requirements for the presentation of information to ensure standardisation and comparability.

~~(17) Financial market participants should include on their website a clear, succinct and understandable summary of the information provided as part of the periodic reporting. When doing so, financial market participants should comply at all time with national and Union law governing the protection of confidentiality of information, including the protection of undisclosed know-how and business information and the~~

⁶<https://www.fsb-tcfd.org/publications/final-technical-supplement/>

~~processing of personal data.~~

- (18) ~~Financial~~There are a variety of financial products with various degrees of ambition with regard to ~~the~~ taking into ~~consideration of sustainability factors are being developed.~~ ~~Among such financial products, a difference is to be made between financial products offered to end- investors as specifically targeting sustainable investments, and all other financial products which claim to take into account sustainability factors~~ ~~in investment decisions.~~ Financial products ~~promoting that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics~~ (environmental or social characteristics ~~can~~) cover various investment approaches and strategies, from best-in-class to specific sectoral exclusions. The disclosures required from financial market participants making available such financial products should ~~attempt to~~ reflect ~~such~~this diversity and ~~to~~ cover the widest possible range of approaches. Among financial products, a difference is to be made between financial products that exclusively pursue sustainable investments and all other financial products that promote environmental or social characteristics.
- (19) One of the ways in which financial products can promote environmental or social characteristics is to take into account principal adverse impacts of investment decisions. Financial products that have a sustainable investment objective must also consider adverse impact indicators as part of their disclosures of no significant harm to sustainability objectives. For these reasons, financial products should indicate whether they consider principal adverse impacts of investment decisions on sustainability factors as part of their disclosures in this Regulation.
- (20) ~~(19)~~ Financial market participants that ~~market~~make available financial products ~~promoting that promote~~ environmental or social characteristics, ~~or a combination of those characteristics,~~ should make disclosures on those characteristics without misleading end- investors. This implies that financial market participants should not disclose excessively on sustainability, including through product categorisation, ~~if~~where that is not commensurate with the way in which ~~sustainability is given effect in their investment policy~~those characteristics are applied to the financial product. Therefore, disclosure of criteria for the selection of underlying assets should be limited to those criteria that ~~financial market participants actually bind themselves with as part of their~~are binding on the investment decision- making process. As a consequence, financial market participants should not mislead ~~end~~ investors by disclosing selection criteria which they may disapply or override at their discretion.
- (21) ~~(20)~~ Financial products ~~with~~that promote environmental or social characteristics can invest in a wide range of underlying assets, ~~whether such assets~~some of which may not themselves qualify as sustainable investments, or contribute to the specific environmental or social characteristics promoted by the financial product. ~~Underlying~~Examples of these investments ~~can also consist of assets that are not relevant to the environmental or social characteristics promoted by the product, such as~~are hedging instruments, unscreened investments for diversification purposes ~~or,~~ investments for which data is lacking, or ~~money market instruments~~cash held as ancillary liquidity. Financial market participants marketing such financial products should be fully transparent as regards the allocation of the underlying investments to those categories of investments.

- (22) ~~(21) Financial products with environmental or social characteristics should be considered to be promoting, among other characteristics, environmental or social characteristics, or a combination thereof, when information provided to clients, in marketing communications or in mandatory investor disclosures or as part of a process of automatic enrolment in an IORP, references sustainability factors that are taken in consideration when allocating the capital invested of the product. To ensure comparability, where a financial product promotes environmental or social characteristics in a pre-contractual or periodic document, in its product name or in any marketing communication about its investment strategy, financial product standards, labels it adheres to or applicable conditions for automatic enrolment, the financial product should include the pre-contractual and periodic disclosures set out in this Regulation. Also, where the financial product intends to pursue in part sustainable investment, that information should also be included in that information.~~
- (23) ~~(22)~~ As regards investments that do not qualify as sustainable or as contributing to the environmental or social characteristics promoted by the financial product, financial market participants may decide to apply some baseline environmental or social safeguards such as those referred to in Regulation (EU) 2020/852. ~~Where~~ that is the case, financial market participants should explain those safeguards so that end investors receive accurate information on the entirety of the investments made by the financial product. Furthermore, while products that have sustainable investment as an objective are expected to make only sustainable investments, it is appropriate to require disclosures on the amount and purpose of any remaining investments to demonstrate how those investments do not prevent the financial product from attaining its sustainable investment objective.
- (24) ~~(23)~~ Where financial products under Article 8 of Regulation (EU) 2019/2088 that promote environmental or social characteristics pursue environmental or social investment strategies, financial market participants should be transparent about the strategy and clearly indicate it in the pre-contractual information to allow easy identification by end- investors.
- (25) ~~(24)~~ In particular, considering that many financial products currently rely on exclusion strategies based on environmental or social criteria, end- investors should be provided with the necessary information to assess the materiality of such criteria on investment decisions, and the impact of that strategy on the composition of the resulting portfolio. Current market practice ~~demonstrate~~ demonstrates that some exclusion strategies are showcased as material, while in fact they actually ~~consisting in exclusions based on criteria that~~ lead to the exclusion of only a limited number of investments or are based on exclusions required by law. ~~Consequently, disclosing on~~ It is necessary to address concerns about 'greenwashing', that is, in particular, the practice of gaining an unfair competitive advantage by recommending a financial product as environmentally friendly or sustainable, when in fact that financial product does not meet basic environmental or other sustainability-related standards. In order to prevent mis-selling and greenwashing, disclosure of any commitment with regard to a minimum reduction of the set of potential investments as a result of the application of the exclusion strategy is necessary ~~in order~~ to give end- investors better visibility over the materiality of the offered strategy.
- (26) ~~(25)~~ Regulation (EU) 2019/2088 aims to reduce information asymmetries in principal-agent relationships with regard to the promotion of environmental or social

characteristics and sustainable investment objectives by requiring financial market participants to make pre-contractual and website disclosures to end investors when they act as agents of those end investors. ~~In order for~~For such a measure to be fully effective, it is expected that financial market participants monitor, throughout ~~a financial product's~~the lifecycle ~~how the~~of a financial product how it complies with the disclosed environmental or social characteristics, or sustainable investment objective. Consequently, financial market participants should ~~mention~~explain, as part of their website disclosures, the ~~control mechanisms,~~ internal or external, control mechanisms put in place to monitor such compliance on a continuous basis.

(27) ~~(26)~~Regulation (EU) 2019/2088 specifies that the assessment of good governance practices forms an integral part of financial products ~~falling under Article 8 or Article 9 of that Regulation and should be considered as a prerequisite for promoting~~that promote environmental or social characteristics, or ~~for pursuing~~that have sustainable investment as their objective. Therefore, financial products with environmental or social characteristics or with a sustainable investment objective should also include information on the policy of the financial market participant's ~~policy~~ to assess good governance practices of investee companies.

(28) ~~(27)~~Regulation (EU) ~~2088/2019~~2019/2088 recognises that financial products that promote environmental or social characteristics, ~~or a combination of those characteristics,~~ may set up investment portfolios that match an index. In such cases, financial products should make available information on ~~whether and if so~~ how that index is consistent with each of the environmental or social characteristics ~~or their combinations~~of the financial product.

(29) ~~(28)~~Regulation (EU) ~~2088/2019~~2019/2088 also recognises that financial products that have sustainable investments as their objective ~~might be setting~~may set up portfolios that ~~match~~are fully aligned with a sustainability-related index ~~in order~~to deliver ~~such~~ ~~an~~that objective. In such cases, the information on how the designated sustainability-related index is aligned with the objective of sustainable ~~investments~~investment and ~~the~~an explanation of the reasons and content of differences between the designated sustainability-related index and a relevant broad market index should be made available. Such financial products should clearly demonstrate that the design of the designated index is appropriate to deliver the stated sustainable investment objective, and that the strategy of the financial product's ~~strategy~~ ensures that the financial product is continuously aligned with that index. ~~This is also why, for such financial products~~Therefore, core methodological disclosures should be made at index level for such financial products. Conversely, where a financial product does not ~~resort to~~use an index to ensure the delivery of the sustainable investment objective, ~~disclosures~~the disclosure should explain the strategy developed by the financial market participant to attain ~~such~~that objective.

(30) ~~(29)~~Financial Regulation (EU) 2019/2088 requires financial products ~~should not pursue low-carbon investment objectives without using~~with the objective of the reduction of carbon emissions to disclose information relating to the new Union climate-related benchmarks. ~~If such~~Where those benchmarks are not available, financial market participants should demonstrate how the financial product complies with the relevant standards applicable to EU Paris-aligned benchmarks or EU Climate Transition benchmarks as set out in ~~the~~Regulation (EU) ~~2019/2089~~2016/1011.

(31) ~~(30)~~Financial market participants can ~~resort to~~use various investment methods to

justify the attainment of the environmental or social characteristics, or the delivery of the sustainable investment objective, of the financial product. ~~Financial~~ For example, financial market participants can directly invest in securities issued by investee companies, or ~~resort to other methods~~ they may make indirect investments such as ~~investment via~~ in funds of funds or ~~exposure via the use of~~ derivatives. Financial market participants should be transparent as to the share of their investments that ~~will be carried out via direct holdings, and that carried out via alternative methods~~ are held directly and the share held indirectly. In particular, financial market participants should explain how the use of derivatives is compatible with the environmental or social characteristics ~~being promoted,~~ that the financial product promotes or with the objective of sustainable investment ~~objective pursued~~.

~~(31)~~ (32) In order to ensure clarity to end- investors, pre-contractual information relating to financial products ~~under Article 8 of Regulation (EU) 2019/2088~~ that promote environmental or social characteristics should make clear, by way of a statement, that such products do not have sustainable investment as an objective. For the same purpose, and in order to ensure a level-playing field with financial products ~~under Article 9 of Regulation (EU) 2019/2088~~ that have sustainable investment as their objective, pre-contractual, website and periodic information relating to products ~~under Article 8 of Regulation (EU) 2019/2088~~ that promote environmental or social characteristics should also ~~mention~~ include the ~~proportions that such investments are planned to take — or actually taking — within the related investment portfolio.~~

~~(32)~~ As regards financial products under Article 9 of Regulation (EU) 2019/2088, considering that proportion of the sustainable investments ~~form the investment objective of such products, financial market participants should disclose how the share of investments that do not qualify as sustainable investments does not jeopardise the achievement of the sustainable investment objective.~~

~~(33)~~ (33) Regulation (EU) 2019/2088 requires ~~that investments need~~ an investment to comply with the 'do not significantly harm' principle ~~in order to~~ qualify as a sustainable investment. This principle is particularly important for financial products ~~under Article 9 of Regulation (EU) 2019/2088,~~ that have sustainable investment as their objective as it is a necessary criterion to justify that an investment ~~contributes to the delivery of~~ delivers the sustainable investment objective. However, this principle is also relevant to financial products ~~under Article 8 of Regulation (EU) 2019/2088~~ that promote environmental or social characteristics where they make sustainable investments, as disclosures relating to the proportion of sustainable investments ~~comprised in such products is~~ should also ~~expected~~ be made. As a result, financial market participants ~~making~~ that make available ~~both types of either a~~ financial products product that promotes environmental or social characteristics or a financial product that has sustainable investment as its objective should provide information relating to the 'do not significantly harm' principle. ~~It is also necessary to specify that this~~ The principle, ~~as regards harms of not doing significant harm to environmental or social objectives,~~ is ~~is~~ linked to the ~~criteria to be developed in the context of the Regulation on the establishment of a framework to facilitate sustainable investment in order~~ disclosures of principal adverse impacts of investment decisions on sustainability factors. For this reason, financial product disclosures relating to assess the 'do not significantly harm' ~~criteria in that Regulation. Nonetheless, in the absence of a yet fully functional framework to define environmentally sustainable investment, financial market participants should be transparent with regard to the criteria used, including any potential thresholds set, in order to assess that the~~

~~investments qualifying as sustainable do not significantly harm environmental nor social objectives.~~

~~(34) The scope of application of the principle should explain how the indicators for adverse impacts have been taken into account. Furthermore, as these disclosures are closely linked to Regulation (EU) 2020/852, it is appropriate to require additional information on the alignment of the investments with the minimum safeguards set out in that Regulation. (EU) 2019/2088 includes financial products, especially insurance-based investment products that can offer a range of investment underlying options to end-investors. Some of these investment options may qualify that financial product as a financial product referred to in Article 8(1) of Regulation (EU) 2019/2088. In that case, end-investors should be provided with the summary list of those investment options and the information provided by those investment options in accordance with this Regulation with clear indications to which investment options the information relates.~~

~~(35) For a financial product offering a range of investment options to qualify as a financial product referred to in Article 9(1), (2) or (3) of Regulation (EU) 2019/2088, all its investment options should qualify as financial products. In that case, end-investors should be provided with the summary list of those investment options and the information provided by those investment options in accordance with this Regulation with clear indications to which investment options the information relates.~~

~~(36) The disclosures applicable to insurance-based investment products offering a range of investment options and qualifying as a financial product may be lengthy. According to the demands and needs of the end-investors and, as the case may be, the result of their appropriateness or suitability assessments performed in accordance with Article 30 (1) and (2) of Directive (EU) 2016/97 on insurance distribution⁷, insurance distributors should draw the attention of the end-investors to the disclosures related to the investment options that the end-investors actually consider investing in in accordance with Article 29(1) of that Directive.~~

~~(34) (37) Financial market participants should use website [sustainability-related disclosures to disclose on specific items](#), to expand on topics disclosed in a concise way in pre-contractual documents, and to provide further information ~~they deem~~ relevant ~~which will help~~ to end-investors ~~to~~ better understand the investment strategies offered. Before a contract is closed, financial market participants should inform end-investors about the fact that more product-specific, detailed information can be found on the website and provide them with a ~~link~~ [hyperlink](#) to that information.~~

~~(35) [The website product disclosure should provide additional details regarding the investment strategy of the financial product, such as the policy to assess good governance of investee companies, as well as methodologies to measure the attainment of the environmental or social characteristics or objectives of the financial product, provided that such information is consistent with the pre-contractual information. Moreover, financial market participants should include on their website a clear, succinct and understandable summary of the information provided as part of the periodic reporting. When doing so, financial market participants should comply with national and Union law governing the protection of confidentiality of](#)~~

⁷Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast) (OJ L 26.2.2016 p.19)

information, including the protection of undisclosed know-how and business information and the processing of personal data.

(36) ~~(38)~~~~In order~~With respect to the content of the periodic disclosure obligations required in accordance with Regulation (EU) 2019/2088, financial market participants should disclose a minimum set of standardised and comparable relevant quantitative and qualitative indicators to show how each financial product meets the environmental or social characteristics that it promotes or the sustainable investment objective. These indicators should be relevant to the design and investment strategy of the financial product as described in the pre-contractual information of the financial product. In particular, to ensure consistency between pre-contractual disclosures and periodic disclosures, financial market participants should report on the specific sustainability indicators mentioned as part of the pre-contractual information used to measure the attainment of the environmental or social characteristics, or the delivery of the sustainable investment objective. ~~Should~~

(37) To ensure a clear overview of the investments of the financial product, financial market ~~participant choose to report, as part~~participants should provide in the periodic reports referred to in Regulation (EU) 2019/2088 information on the impacts of the top investments of the financial product.

Those top investments should be calculated as the investments accounting for the greatest proportion of investments over the ~~required periodic~~course of the reference period, calculated at appropriate intervals to be representative of that reference period. For this purpose, reporting on the top 15 investments should provide a clear overview, except where less than 15 investments account for half of the investments of the financial product, in which case, the disclosure, ~~on new sustainability indicators,~~ the top investments should provide information only on those investments. Moreover, to ensure adequate comparability over time, financial market ~~participant~~participants should ~~explain those choices and~~ provide a ~~historic~~historical year-by-year comparison of ~~the performance for those new indicators in subsequent reports~~their periodic reports prepared in accordance with this Regulation with previous reference periods, for at least the five previous reference periods.

(38) ~~(39)~~Financial market participants making available financial products ~~resorting to that~~ use a reference benchmark to ~~justify the attainment of~~attain environmental or social characteristics, or ~~the delivery of to deliver~~ the sustainable investment objective, should be transparent on how the financial product attains or delivers ~~a sustainable performance that is~~that characteristic or objective as close as possible to that of the designated reference benchmark. As a result, and ~~in order~~to foster consistency with environmental, social and governance (ESG) disclosures required at benchmark level as set out in Regulation (EU) ~~2019/2089~~^{2016/1011}, financial market participants should include, as part of the periodic reporting disclosures, a comparison between the performance of the financial product with that of the designated reference

⁸Regulation (EU) 2019/2089 of The European Parliament and of the Council of 27 November 2019 amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks (OJ L 317, 9.12.2019, p.17)[]
Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12)[]
Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48)[]
Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and[]
~~repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).~~

benchmark, for all sustainability indicators ~~deemed~~ relevant to justify that the designated benchmark is aligned with the environmental or social characteristics of the financial product's characteristics, or its sustainable investment objective. This comparison should also allow end- investors to clearly identify the sustainable performance of the financial product compared to that of a mainstream product: ~~this is why the comparison mentioned above should also include~~ by including a comparison with the sustainable performance of a relevant broad market index.

- (39) To ensure end investors are able to benefit from the sustainability-related disclosures set out in this Regulation in relation to an offer of a financial product from a financial market participant in another Member State, it is appropriate to require that financial market participants provide a summary of that information in a language customary in the sphere of international finance. Where a financial product is marketed outside of the Member State where the financial market participant is established, a summary of that information should also be provided in one of the official languages of the Member State where the financial product is marketed.
- (40) In view of the need to ensure comparability of the principal adverse impacts statement, the pre-contractual disclosures and the periodic disclosures required by Regulation (EU) 2019/2088, and to ensure that the information is easily comprehensible to end investors, it is appropriate to set out standard templates for the presentation of that information in this Regulation. Furthermore, to ensure the information is easily comprehensible to end investors, the templates should include summary explanations for end investors of key terms which they use.
- (41) Since certain financial products may offer a range of underlying investment options to end investors, such as certain insurance-based investment products and pan-European personal pension products, it is necessary to ensure end investors are informed about a potential sustainability-related performance of such products. Therefore, it is appropriate that this Regulation requires information on the options that promote environmental or social characteristics or have sustainable investment as their objective. The information should make clear that for financial products that promote environmental or social characteristics, the extent to which that financial product attains those characteristics is subject to the proportion of options selected by the end investor that promote those characteristics and the period of time in which the end investor invests in those options. The information should also make clear that for financial products that have sustainable investment as their objective, all of the underlying investment options must have sustainable investment as their objective.
- (42) For financial products that offer a range of underlying investment options to end investors, where one or more of the underlying investment options qualify as financial products that promote environmental or social characteristics, the information relating to financial products that promote those characteristics should be provided in relation to those options. Where one or more of the underlying investment options of that financial product have sustainable investment as their objective, the information relating to financial products that have sustainable investment as their objective should be provided in relation to those options, except for any of those options that are not financial products within the meaning of Regulation (EU) 2019/2088. For those options, since they are within an overall financial product within the scope of Regulation (EU) 2019/2088 and have sustainable

investment as their objective, it is appropriate to require minimum information to be provided on their sustainable investment objective.

- (43) For pre-contractual disclosures relating to financial products that offer a range of underlying investment options, the information requirements should ensure that an appropriate level of information is provided on the financial product overall. End investors should be provided with a summary list of the sustainability-related underlying investment options and a clear indication of where sustainability-related information on them can be found. That list should ensure that the underlying investment options are appropriately categorised.
- (44) Where including the sustainability-related information required by this Regulation directly in the form of annexes of the pre-contractual disclosures referred to in Regulation (EU) 2019/2088 prevents an end investor from receiving a clear and concise disclosure due to a large range of underlying investment options offered by a financial product and a corresponding significant number of annexes of information, it is appropriate to enable that information to be provided through a reference to the location of that information in the annexes of other disclosures made pursuant to the sectoral rules. During the process of an advised sale, namely the process of assessing the demands and needs of the end investor and the suitability of the financial product for the end investor, as well as during the process of a non-advised sale, namely the process of assessing the demands and needs of the end investor and the appropriateness of the product, financial advisers can focus on drawing the attention of the end investor to the disclosures related to the investment options in a multi-option product that the end investor is actually considering investing in. This can be done by providing the relevant information in the form of annexes to the main disclosure document.
- (45) Similarly, for periodic disclosures relating to financial products that offer a range of underlying investment options, since the investment options actually invested in govern the extent to which the financial product attains the environmental or social characteristics that it promotes or its sustainable investment objective, it is appropriate that the periodic information required by this Regulation only relates to the investment options invested in.
- (46) ~~(40)~~ The provisions of this Regulation should be considered as a whole, since they deal with the information that must be provided by financial market participants and financial advisers in relation to sustainability-related disclosures in the financial services sector required under Regulation (EU) 2019/2088. To ensure coherence between those provisions, which should enter into force at the same time, and to facilitate a comprehensive view by ~~those persons~~ financial market participants and financial advisers of their obligations under that Regulation, it is efficient to include the regulatory technical standards in a single Regulation.
- (47) ~~(41)~~ This Regulation is based on the draft regulatory technical standards submitted to the Commission by the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority (European Supervisory Authorities).
- (48) ~~(42)~~ The European Supervisory Authorities have consulted the European Environment Agency, the Joint Research ~~Center~~ Centre of the European Commission and conducted

open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council (⁽⁴⁵⁾), the Insurance and Reinsurance Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1094/2010 of the European Parliament and of the Council (⁽⁴⁶⁾), and the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council (⁽⁴⁷⁾).

(49) ~~(43) For reasons of consistency and in~~ order to ~~ensure the smooth functioning of the~~ provide financial ~~services sector~~ market participants and financial advisers with sufficient time to gather the information necessary and adjust their practices to apply the specific requirements of this Regulation, and in order to provide for the alignment of the application of this Regulation with the application of the amendments in Regulation (EU) 2020/852 to Regulation (EU) 2019/2088 as well as the application of periodic reporting in that Regulation, it is necessary to specify that ~~this Regulation and the provisions laid down in~~ of this Regulation ~~(EU) 2019/2088~~ apply from ~~the same date~~ 1 January 2022,

HAS ADOPTED THIS REGULATION:

CHAPTER I DEFINITIONS AND GENERAL PROVISIONS

Article 1 Definitions

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

- (1) ‘fossil fuel sectors’ means ~~investment related to production, processing, distribution, storage or combustion of solid~~ sectors of the economy which produce, process, store or use fossil fuels, ~~with the exception of investment related to clean vehicles⁹~~ as defined in Article ~~42(62)~~ of ~~Directive 2009/33/EC~~ Regulation (EU) 2018/1999 of the

⁵[Regulation \(EU\) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority \(European Banking Authority\), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC \(OJ L 331, 15.12.2010, p. 12\).](#)

⁶[Regulation \(EU\) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority \(European Insurance and Occupational Pensions Authority\), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC \(OJ L 331, 15.12.2010, p. 48\).](#)

⁷[Regulation \(EU\) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority \(European Securities and Markets Authority\), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC \(OJ L 331, 15.12.2010, p. 84\).](#)

⁹[Proposal for a Regulation on the European Regional Development Fund and on the Cohesion Fund \(COM\(2018\)372\)](#)

European Parliament and of the Council⁴⁰ (8); and

- (2) 'reference period' means, for the purposes of ~~Articles 5 to 10~~ [Chapter II](#), the period from 1 January to 31 December of the preceding year and, for the purposes of ~~Articles 36 to 52~~ [Chapter V](#), the period covered by the periodic report referred to in Article 11(2) of Regulation (EU) 2019/2088.

Article 2

General principles for the presentation of information

1. Financial [advisers and financial](#) market participants shall provide the information referred to in this Regulation in a manner that is easily accessible, non-discriminatory, free of charge, [prominent](#), simple, concise, comprehensible, fair, clear and not misleading. ~~The information~~ [They](#) shall ~~be presented~~ [present](#) and ~~laid~~ [lay](#) out [the information](#) in a way that is easy to read, ~~using~~ [use](#) characters of readable size; and ~~shall be written in~~ [use](#) a style that facilitates its understanding.
2. [Within the limits of paragraph 1, financial advisers and financial market participants may adapt the font type and size as well as colours of the templates provided in the Annexes.](#)
3. ~~2.~~ Financial [advisers and financial](#) market participants shall provide the information referred to in this Regulation in searchable electronic format, [except where the manner referred to in Articles 6\(3\) and 11\(2\) of Regulation \(EU\) 2019/2088 requires the information to be provided on paper.](#)
4. ~~3.~~ Financial [advisers and financial](#) market participants shall keep the information published on their websites in accordance with this Regulation up to date. They shall include the date of publication of the information and clearly identify any updated text with the date of the update. [Where that information is presented as a downloadable file, they shall indicate the version history in the file name.](#)
5. ~~4.~~ Financial [advisers and financial](#) market participants shall provide, where available, legal entity identifiers (LEIs) and international securities identification numbers (ISINs) when referring to entities or financial products in the information provided in accordance with this Regulation.

Article 3

Reference benchmarks with basket indexes

Where an index designated as a reference benchmark is made up of a basket of indexes,

⁴⁰~~Directive 2009/33/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of clean and energy-efficient road transport vehicles (OJ L 120, 15.5.2009, p. 5).~~

⁸[Regulation \(EU\) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations \(EC\) No 663/2009 and \(EC\) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and \(EU\) 2015/652 and repealing Regulation \(EU\) No 525/2013 of the European Parliament and of the Council \(OJ L 328, 21.12.2018, p. 1\).](#)

financial [advisers and financial](#) market participants shall provide the information [referred to in this Regulation](#) relating to that index in respect of the basket and each index [in the basket](#).

CHAPTER II

TRANSPARENCY OF ADVERSE SUSTAINABILITY IMPACTS

(Paragraphs (1), (3), (4) and (5) of Article 4 of Regulation (EU) 2019/2088)

[Section 1](#)

[Financial market participants](#)

Article 4

Financial market participant [principal](#) adverse sustainability impacts statement

1. ~~From the date on which principal adverse impacts of investment decisions on sustainability factors are first considered and thereafter by~~ [By](#) 30 June each year, financial market participants shall publish the information referred to in paragraphs 1(a), [2](#), 3 and 4 of Article 4 of Regulation (EU) 2019/2088, ~~this Article and Articles 5 to 12 of this Regulation~~ [Section](#) on their websites in a separate section titled, '[Adverse Principal adverse](#) sustainability impacts statement' located in the same part of the website as the section referred to in Article ~~33~~ [31](#).
2. The adverse sustainability impacts statement shall be published in the format set out in Table 1 of Annex I. It shall be in the order and made up of the following sections titled:
 - (a) 'Summary';
 - (b) 'Description of principal adverse sustainability impacts';
 - (c) 'Description of policies to identify and prioritise principal adverse sustainability impacts';
 - ~~(d) 'Description of actions to address principal adverse sustainability impacts';~~
 - [\(d\)](#) ~~(e)~~ 'Engagement policies'; and
 - [\(e\)](#) ~~(f)~~ 'References to international standards'.
3. By way of derogation ~~to paragraph~~ [from paragraphs 1, and 2](#):
 - [\(a\)](#) for a financial market participant that ~~first considers the~~ [publishes on its website a statement on due diligence policies with respect to](#) principal adverse impacts of ~~its~~ investment decisions on sustainability factors in ~~a given year~~ [accordance with this Section for the first time](#):
 - [\(i\)](#) ~~(a) until 30 June in respect~~ of the ~~following~~ [calendar](#) year ~~in which principal adverse impacts are first considered~~, that financial market participant shall publish the information referred to in ~~this paragraphs 1(a), 2, 3 and 4 of Article and Articles 6 to 11 except for~~ [4 of Regulation \(EU\) 2019/2088 and this Section, with the exception of](#) the information that relates to a reference period, ~~on the date on which those impacts are first considered~~; and
 - [\(ii\)](#) ~~(b) from 30 June in respect~~ of the following [calendar](#) year, the first reference period shall be the period in the preceding year beginning on the date on

which principal adverse impacts were first considered and ending on 31 December of that year; and

(b) for a financial market participant that does not consider the principal adverse impacts of its investment decisions on sustainability factors, that financial market participant shall publish the information referred to in Article 11.

Article 5

Summary section

1. The section referred to in point (a) of Article 4(2) shall contain the following information:
 - (a) the name of the financial market participant to which the adverse sustainability impacts statement relates;
 - (b) the fact that principal adverse impacts on sustainability factors are considered;
 - (c) the reference period of the statement; and
 - (d) a summary of the principal adverse impacts statement of a maximum length of two sides of A4-sized paper when printed.
2. The summary section shall be provided in ~~as a minimum,~~ at least :
 - (a) one of the official languages of the home Member State of the financial market participant and, if where different, in an additional language customary in the sphere of international finance; and
 - (b) where a financial product of the financial market participant is marketed in a host Member State, one of the official languages of that host Member State.

Article 6

Description of principal adverse sustainability impacts section

1. The section referred to in point (b) of Article 4(2) shall contain a description ~~of the assessment~~ for the reference period of adverse impacts of investment decisions of the financial market participant on sustainability factors that qualify as principal, including ~~at least the following~~:
 - (a) the ~~minimum~~ indicators related to principal adverse impacts on sustainability factors as set out in Table 1 of Annex I;
 - (b) at least one additional indicator related to principal adverse ~~impact~~ impacts on a climate or other environment- related sustainability factor that qualifies as principal as set out in Table 2 of Annex I;
 - (c) at least one additional indicator related to principal adverse ~~impact~~ impacts on a social, employee, human rights, anti-corruption or anti-bribery sustainability factor that qualifies as principal as set out in Table 3 of Annex I; and
 - (d) any other indicators used to identify and assess additional principal adverse ~~impact~~ impacts on a sustainability factor ~~that qualifies as~~.

2. The section shall also contain a description of the actions taken during the reference period and actions planned or targets set by the financial market participant for the next reference period to avoid or reduce the principal adverse impacts identified.
3. For the purposes of the description referred to in paragraphs 1 and 2, the assessment shall be based on at least the average of four calculations made by the financial market participant on 31 March, 30 June, 30 September and 31 December during the reference period.
4. ~~2.~~ Where the financial market participant has provided a description of adverse impacts on sustainability factors for ~~at least one~~ a previous reference period in accordance with ~~paragraph~~ paragraphs 1 to 3, the statement shall contain a historical comparison of the current reference period with the previous reference ~~periods covering period provided in accordance with those paragraphs and shall continue to include further historical comparisons within that statement for~~ at least ~~the shortest of the following periods:~~
 - ~~(a) the five~~ previous ~~ten years;~~
 - ~~(b) from the date on which the financial market participant first considered principal adverse impacts of its investment decisions on sustainability factors; or~~
 - ~~(c) from 10 March 2021~~ reference periods.

Article 7

Description of policies to identify and prioritise principal adverse sustainability impacts section

1. The section referred to in point (c) of Article 4(2) shall contain a description of the policies of the financial market participant on the assessment process to identify and prioritise principal adverse impacts on sustainability factors, ~~of the indicators used~~ and of how those policies are maintained and applied, including at least the following:
 - (a) the date of approval of the policies by the governing body of the financial market participant;
 - (b) the allocation of responsibility for the implementation of the policies within organisational strategies and procedures;
 - (c) a description of the methodologies to select the indicators referred to in points (b) to (d) of Article 6(1), to identify and assess ~~each the~~ principal adverse ~~impact~~ impacts referred to in points (a) to (d) thereof and, in particular, how those methodologies take into account the probability of occurrence and severity of adverse impacts, including their potentially irremediable character;
 - (d) an explanation of any associated margin of error within those methodologies; and
 - (e) a description of the data sources used.
2. Where information relating to any of the indicators used is not readily available, the section referred to in point (c) of Article 4(2) shall also contain details of: ~~(a) the best efforts used to obtain the information either directly from investee companies; and~~ ~~(b) where, despite best efforts, the information cannot be obtained directly from investee companies, the best efforts used to assess the adverse impacts, including a description of any reasonable assumptions used, or by carrying out~~ additional research ~~carried out, cooperation,~~

cooperating with third party data providers or ~~use of~~ external experts or making reasonable assumptions.

Article 8

~~Description of actions and engagement policies to address principal adverse sustainability impacts~~ Engagement policies section

1. The section referred to in point (d) of Article 4(2) shall contain ~~the following information~~:
 - (a) where applicable, brief summaries of engagement policies in accordance with Article 3g of Directive 2007/36/EC of the European Parliament and of the Council⁹; and
 - (b) brief summaries of any other engagement policies relating to reducing principal adverse impacts.
2. ~~(a) The brief summaries referred to in paragraph 1 shall include a description of the actions taken during the reference period and planned by the financial market participant for the next reference period to avoid or reduce the principal indicators for~~ adverse impacts identified; and
~~(b) an explanation of the~~ considered in those policies and how those policies adapt where there is no reduction in of the principal adverse impacts ~~achieved by the actions taken during the~~ over more than one reference period.

Article 9

~~Engagement policies~~ References to international standards section

1. The section referred to in point (e) of Article 4(2) shall contain, ~~where applicable, the brief summaries of engagement policies in accordance with Article 3g of Directive 2007/36/EC of the European Parliament and of the Council¹⁴, any other relevant engagement policies and an explanation of the reduction in principal adverse impacts achieved of the actions taken during the reference period.~~

Article 10

References to international standards

~~The section referred to in point (f) of Article 4(2) shall contain~~ a description of the adherence of the financial market participant 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, ~~including at least,~~

2. The description referred to in paragraph 1 shall contain:
 - (a) the adverse impact indicators used in the assessment of principal adverse sustainability impacts referred to in Article 6 to measure that adherence or alignment;
 - (b) the methodology and data used to measure that adherence or alignment, including a description of the scope of coverage, data sources and how the methodology forecasts the future performance of investee companies;

⁹Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies (OJ L 184, 14.7.2007, p. 17).

¹⁴Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies (OJ L 184, 14.7.2007, p. 17).

(c) where a forward-looking climate scenario is used, an identification of that scenario, including the name and provider of the scenario and when it was designed; and

~~climate scenarios. The description shall specify the adverse indicators used in the assessment of principal adverse sustainability impacts referred to in Article 6 to measure that adherence or alignment.~~

~~Article 11~~

~~Financial market participant statement of no consideration of adverse impacts on sustainability factors~~

~~Financial market participants shall publish the information referred to in Article 4(1)(b) of Regulation (EU) 2019/2088 on their websites in a separate section titled, ‘No consideration of sustainability adverse impacts’. That section shall start with a prominent statement that the financial market participant does not consider the adverse impacts of its investment decisions on sustainability factors. The clear reasons for why the financial market participant does not do so shall include, where relevant, information on whether and, if so, when it intends to consider those adverse impacts by reference to at least the principal adverse impacts referred to in Table 1 of Annex I. where a forward-looking climate scenario is not used, an explanation of why forward-looking climate scenarios are not considered to be relevant by the financial market participant.~~

Section 2

Financial advisers

Article 1210

Financial adviser adverse sustainability impacts statement

1. Financial advisers shall publish the information referred to in Article 4(5)(a) of Regulation (EU) 2019/2088 on their websites in a separate section titled, ‘Adverse sustainability impacts statement’.
2. The statement referred to in paragraph 1 shall contain details on the process to select the financial products they advise on, including the following:
 - (a) how the information referred to in this Regulation published by financial market participants ~~in accordance with this Regulation~~ is used;
 - (b) whether the financial adviser ranks and selects financial products based on at least the ~~principal adverse impacts referred to indicators~~ in Table 1 of Annex I and, ~~if so~~ where applicable, a description of the ranking and selection methodology used; and
 - (c) any criteria or thresholds used to select financial products and advise on them based on those impacts.

Section 3

Financial market participant and financial adviser statement of no consideration of adverse impacts on sustainability factors

Article 11

Financial market participant statement of no consideration of adverse impacts on sustainability factors

1. Financial market participants shall publish the information referred to in Article 4(1)(b) of Regulation (EU) 2019/2088 on their websites in a separate section titled, 'No consideration of sustainability adverse impacts'.
2. The section referred to in paragraph 1 shall include the following:
 - (a) a prominent statement that the financial market participant does not consider the adverse impacts of its investment decisions on sustainability factors; and
 - (b) clear reasons why the financial market participant does not do so with, where relevant, information on whether and, if so, when it intends to consider those adverse impacts by reference to at least the indicators in Table 1 of Annex I.

Article ~~13~~12

Financial adviser statement of no consideration of adverse impacts on sustainability factors

1. Financial advisers shall publish the information referred to in Article 4(5)(b) of Regulation (EU) 2019/2088 on their websites in a separate section titled; 'No consideration of sustainability adverse impacts'. ~~That~~
2. The section referred to in paragraph 1 shall start with include:
 - (a) a prominent statement that the financial adviser does not consider the adverse impacts of investment decisions on sustainability factors in their investment advice or insurance advice. ~~The; and~~
 - (b) clear reasons ~~for~~ why the financial adviser does not do so ~~shall include with~~, where relevant, information on whether and, if so, when it intends to consider such adverse impacts by reference to at least the ~~principal adverse impacts referred to~~ indicators in Table 1 of Annex I.

CHAPTER III

PRE-CONTRACTUAL PRODUCT DISCLOSURE

Section 1

Pre-contractual information for financial products referred to in Article 8(1) of Regulation (EU) 2019/2088

(Article 8(1) and (2) of Regulation (EU) 2019/2088)

Article ~~14~~13

Presentation of pre-contractual information for financial products referred to in Article 8(1) of Regulation (EU) 2019/2088

1. Financial market participants shall present the information disclosed in accordance with Article 8(1) and (2) of Regulation (EU) 2019/2088, and this Section in an annex to the document referred to in Article ~~and Articles 15 to 21~~6(3) of this Regulation (EU) 2019/2088 in accordance with the template set out in Annex II. ~~The information shall be presented~~They shall include a prominent statement in the main body of the document referred to in Article 6(3) of that Regulation that information related to environmental or social characteristics is

[available in that annex.](#)

2. [Financial market participants shall include a statement at the beginning of the annex referred to in paragraph 1 to explain:](#)
 - (a) [whether the financial product intends to make any sustainable investments;](#)
 - (b) [that the financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment; and](#)
 - (c) [whether an index has been designated as a reference benchmark for the purpose of attaining environmental or social characteristics promoted by the financial product.](#)
3. [Financial market participants shall present the information referred to in paragraph 1 in summary format in the order and made up of the following sections titled:](#)
 - (a) [‘What environmental and/or social characteristics are promoted by this financial product?’;](#)
 - (b) [‘What investment strategy does this financial product follow?’;](#)
 - (c) [‘What is the asset allocation planned for this financial product?’;](#)
 - (d) [‘Does this financial product take into account principal adverse impacts on sustainability factors?’;](#)
 - (e) [‘Can I find more product specific information online?’;](#) and
 - (f) [where an index is designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product, ‘Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?’.](#)

Article 14

Environmental or social characteristics promoted by the financial product’; [section](#)

~~(b)‘No sustainable investment objective’;~~

~~(c)‘Investment strategy’;~~

~~(d)‘Sustainability indicators’;~~

~~(e)‘Use of derivatives’;~~

~~(f)‘Website reference’;~~ and

~~(g)if an index has been designated for the financial product as a reference benchmark, ‘Reference benchmark’.~~ [The section referred to in point \(a\) of Article 13\(3\) shall contain a description of the environmental or social characteristics promoted by the financial product and a list of the sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by the financial product.](#)

Article 15

~~Environmental or social characteristics promoted by the financial product~~

1. The section referred to in point (a) of Article 14 shall contain the following information:

- ~~(a) a description of the environmental or social characteristics promoted by the financial product;~~
- ~~(b) a narrative and graphical representation of the investments of the financial product; and~~
- ~~(c) a reference to the webpage where the information referred to in Article 4 is published.~~

2. For the purposes of point (b) of paragraph 1:

- ~~(a) the graphical representation shall illustrate the planned proportions of:
 - ~~(i) the total investments that are sustainable investments and, where relevant, the subdivision of those sustainable investments between environmental or social objectives;~~
 - ~~(ii) the total investments other than those in point (i) that contribute to the attainment of the environmental or social characteristics promoted by the financial product and, where relevant, the subdivision of those investments between environmental or social characteristics; and~~
 - ~~(iii) the remainder of the investments.~~~~
- ~~(b) the narrative explanation shall explain:
 - ~~(i) the planned proportions in point (a); distinguishing between direct holdings in investee companies and all other types of exposures to those companies;~~
 - ~~(ii) the purpose of the planned remainder of the investments, including a description of any potential minimum environmental or social safeguards and whether those investments are used for hedging, relate to money market instruments or are investments for which there is insufficient data; and~~
 - ~~(iii) the planned proportion of investments in different sectors and sub-sectors, including the fossil fuel sectors.~~~~

Article 16

No sustainable investment objective

1. The section referred to in point (b) of Article 14 shall contain the following statement:
“This product does not have as its objective sustainable investment.”

2. Where a financial product invests in a sustainable investment, the section shall also contain an explanation of how the sustainable investment does not significantly harm the sustainable investment objectives, including:

- ~~(a) how the indicators for adverse impacts in Annex I are taken into account; and~~
- ~~(b) how investments that significantly harm the sustainable investment objectives are excluded.~~

~~Article 17~~

Investment strategy for environmental or social characteristics section

The section referred to in point (e**b**) of Article ~~14~~13(3) shall contain the following information:

- (a) a description of the type of investment strategy used to attain the environmental or social characteristics promoted by the financial product, the binding elements of that strategy to select the investments to attain each of those characteristics and how the strategy is implemented in the investment process on a continuous basis;
- (b) where there is a commitment by the financial market participant to reduce by a minimum rate the scope of investments considered prior to the application of the strategy referred to in point (a), an indication of that rate; and
- (c) a short description of the policy to assess good governance practices of the investee companies and a reference to the website containing further details on the information investment strategy referred to in Article ~~34(e)(ii)~~.

~~Article 18~~

~~Sustainability indicators~~

~~The section referred to in point (d) of Article 14 shall contain a list of the sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by the financial product.~~32(d).

Article 16

Asset allocation section for environmental or social characteristics financial products

~~Article 19~~

~~Use of derivatives~~

1. The section referred to in point (e**c**) of Article ~~14~~13(3) shall contain the following information ~~on how the use of:~~

- (a) a narrative explanation of the investments of the financial product;
- (b) where the financial product commits to making one or more sustainable investments, a description of how the sustainable investments contribute to a sustainable investment objective and do not significantly harm any of the sustainable investment objectives; and
- (c) where the financial product uses derivatives within the meaning of Article 2(1)(29) of Regulation (EU) No 600/2014 of the European Parliament and of the Council ⁴²(10) meets each of) to attain the environmental or social characteristics promoted by the financial product, a description of how the use of those derivatives attains those characteristics.

2. For the purposes of point (a) of paragraph 1 the narrative explanation shall explain:

- (a) the minimum proportion of the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product in accordance

⁴²10 Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84).

with the binding elements of the investment strategy, including the minimum proportion

of sustainable investments of the financial product where it commits to making sustainable investments; and

(b) the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards.

3. For the purposes of point (b) of paragraph 1, the description shall include an explanation of:

(a) how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account; and

(b) whether the sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Article 2017

Identification of principal adverse impact consideration section for financial products that promote environmental or social characteristics

The section referred to in point (d) of Article 13(3) shall explain whether the financial product promotes environmental or social characteristics by considering principal adverse impacts on sustainability factors as referred to in Article 7(1)(a) of Regulation (EU) 2019/2088.

Article 18

Website reference

~~The section referred to in point (f) of Article 14~~ **for financial products that promote environmental or social characteristics**

The section referred to in point (e) of Article 13(3) shall contain the following statement: “More product-specific information can be found on the website”. The statement shall also contain a ~~reference~~ hyperlink to the website ~~containing~~ with the information referred to in Article ~~34~~ 32.

Article 2119

Reference benchmark

~~1. The section referred to in point (g) of Article 14~~ **for financial products that promote environmental or social characteristics**

Where an index is designated as a reference benchmark for the purpose of attaining environmental or social characteristics promoted by the financial product, the statement referred to in point (f) of Article 13(3) shall contain the following information:

(a) an explanation of how the reference benchmark is continuously aligned with each of the environmental or social characteristics promoted by the financial product and with

the investment strategy; ~~and~~

(b) ~~where an index is designated as a reference benchmark that is consistent with each of the environmental or social characteristics promoted by the financial product, an explanation of how the designated index differs from a relevant broad market index; and~~

~~(c) 2. By way an indication of derogation from paragraph 1(a), if where the methodology of the reference benchmark is not aligned with an environmental or social characteristic promoted by the financial product, the section shall contain a prominent statement that the reference benchmark is not consistent with the environmental or social characteristics promoted by the financial product.~~

Article 22

Financial products referred to in Article 8(1) of Regulation (EU) 2019/2088 with underlying investment options

~~By way of derogation from Articles 14 to 21, where a financial product offers the investor, among other investment options, investment options that qualify that financial product as a financial product referred to in Article 8(1) of Regulation (EU) 2019/2088, the information to be disclosed in accordance with Article 8(1) and (2) of that Regulation shall include:~~

~~(a) the summary list of those investment options; and~~

~~(b) the information provided by those investment options in accordance with Article 8(1) and (2) or Article 9(1) to (4) of Regulation (EU) 2019/2088 with clear indications to which investment options the information relates.~~

~~The summary list shall make a clear distinction among those investment options that qualify as financial products referred to in Article 9(1), (2) and (3) of Regulation (EU) 2019/2088 and those investment options that qualify as financial products referred to in Article 8(1) of that Regulation.~~

~~The summary list shall include used for each the calculation of those investment option cross-references to the disclosures required by the sectoral legislation referred to in Article 6(3) of that Regulation the designated index can be found.~~

Section #2

Pre-contractual information for financial products referred to in Article 9(1), (2) and (3) of Regulation (EU) 2019/2088

(Article 9(1) to (4) of Regulation (EU) 2019/2088)

Article 23~~20~~

Presentation of pre-contractual information for financial products referred to in Article 9(1), (2) and (3) of Regulation (EU) 2019/2088

1. Financial market participants shall present the information disclosed in accordance with Article 9(1) to (4) of Regulation (EU) 2019/2088, and this Section in an annex to the document referred to in Article ~~and Articles 24 to 31~~6(3) of ~~this~~ Regulation (EU) 2019/2088 in accordance with the template set out in Annex

III. ~~The information shall be presented~~They shall include a prominent statement in the main

body of the document referred to in Article 6(3) of that Regulation that information related to sustainable investment is available in that annex.

2. Financial market participants shall include a statement at the beginning of the annex referred to in paragraph 1 that the financial product has a sustainable investment objective and on whether an index has been designated as a reference benchmark in accordance with Article 9(1) of Regulation (EU) 2019/2088 or a reference benchmark has been designated in accordance with Article 9(3) of that Regulation.
3. Financial market participants shall present the information referred to in paragraph 1 in summary format in the order and made up of the following sections titled:
 - (a) ~~'Sustainable investment objective of the financial product';~~
(b) 'No significant harm to What is the sustainable investment objectives objective of this financial product?';
 - (b) ~~(e) 'Investment~~What investment strategy does this financial product follow?';
 - (c) ~~(d) 'Sustainability indicators';~~What is the asset allocation planned for this financial product?';
 - (d) ~~(e) 'Use of derivatives';~~Does this financial product take into account principal adverse impacts on sustainability factors?';
 - (e) ~~(f) 'Website reference';~~Can I find more product specific information online?';
 - (f) ~~(g)~~for a financial product referred to in Article 9(1) of Regulation (EU) 2019/2088, ~~'Sustainable~~Is a specific index designated as a reference benchmark to meet the sustainable investment objective ~~attainment with a designated index?';~~ and
 - (g) ~~(h)~~for a financial product referred to in Article 9(3) of Regulation (EU) 2019/2088, ~~'Objective~~Does the financial product have the objective of a reduction in carbon emissions?'.
emissions?'.

Article ~~24~~21

Sustainable investment objective of the financial product section

1. The section referred to in point (a) of Article ~~23~~20(3) shall contain ~~the following information:~~
 - ~~(a) a description of the sustainable investment objective of the financial product;~~
 - ~~(b) a narrative explanation and a graphical representation of the investments of the financial product; and~~ list of the sustainability indicators used to measure the attainment of the sustainable investment objective.
 - ~~(c) a reference to the hyperlink of the webpage where the information referred to in Article 4 is published.~~22

2. ~~For the purposes of point (b) of paragraph 1:~~

- ~~(a) the graphical representation shall illustrate the planned proportion of the total investments that are sustainable investments and, where relevant, the subdivision of those sustainable investments between environmental or social objectives;~~

~~(b) the narrative explanation shall explain:~~

~~(i) the planned proportion in point (a) distinguishing between direct holdings in investee companies and all other types of exposures to those companies;~~

~~(ii) the purpose of the planned remainder of the investments, including a description of any minimum environmental or social safeguards, how their proportion and use does not affect the delivery of the sustainable investment objective on a continuous basis and whether those investments are used for hedging, relate to money market instruments or are investments for which there is insufficient data; and~~

~~(iii) the proportion of investments in different sectors and sub-sectors, including the fossil fuel sectors.~~

Article 25

No significant harm to the sustainable investment objectives

The section referred to in point (b) of Article 23 shall contain an explanation of how the investments of the financial product do not significantly harm the sustainable investment objectives, including:

~~(a) how the indicators for adverse impacts in Annex I are taken into account; and~~

~~(b) how investments that significantly harm the sustainable investment objectives are excluded.~~

Article 26

Investment strategy section for the sustainable objective

1. The section referred to in point ~~(c)~~ of Article ~~23~~20(3) shall contain the following information:

(a) a description of the type of investment strategy used to attain the sustainable investment objective of the financial product, the binding elements of that strategy to select the investments to attain that objective and how the strategy is implemented in the investment process on a continuous basis; and

~~(b) where there is a commitment by the financial market participant to reduce by a minimum rate the scope of investments considered prior to the application of the strategy referred to in point (a), an indication of that rate;~~

(b) ~~(c)~~ a short description of the policy used to assess good governance practices of the investee companies and a reference to the website containing further details on the information investment strategy referred to in Article ~~35(e)(ii);~~
45(d).

Article 27

Sustainability indicators

23

Asset allocation section for financial products with the objective of sustainable investment

1. The section referred to in point (d) of Article 23(3) shall contain the following information:

~~(a) a list of the sustainability indicators used to measure the attainment of the sustainable investment objective.~~

Article 28

Use of derivatives

~~The section referred to in point (e) of Article 23 shall contain information on how the use of~~narrative explanation of the investments of the financial product;

~~(b) where the financial product uses derivatives within the meaning of Article 2(1)(29) of Regulation (EU) No 600/2014 of the European Parliament and of the Council⁴³ to attain the sustainable investment objective of the financial product, a description of how the use of those derivatives attains that sustainable investment objective;~~and

~~(c) a description of the contribution and no significant harm of sustainable investments to the sustainable investment objectives.~~

2. For the purposes of point (a) of paragraph 1 the narrative explanation shall explain:

(a) the minimum proportion of the investments of the financial product used to attain the sustainable investment objective in accordance with the binding element of the investment strategy; and

(b) the purpose of the remaining proportion of the investments of the financial product, including a description of any minimum environmental or social safeguards, how their proportion and use does not affect the delivery of the sustainable investment objective on a continuous basis and whether those investments are used for hedging, relate to cash held as ancillary liquidity or are investments for which there is insufficient data.

3. For the purposes of point (c) of paragraph 1, the description shall contain an explanation of how the investments of the financial product contribute to a sustainable investment objective and do not significantly harm any of the sustainable investment objectives, including an explanation of:

(a) how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account; and

(b) whether the sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Article 29

Identification of principal adverse impact consideration section for financial products with the objective of sustainable investment

⁴³Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84).

The section referred to in point (d) of Article 20(3) shall explain that the financial product contributes to a sustainable investment objective by considering principal adverse impacts on sustainability factors as referred to in Article 7(1)(a) of Regulation (EU) 2019/2088.

Article 25

Website reference section for financial products with the objective of sustainable investment

The section referred to in point (f) of Article ~~23~~20(3) shall contain the following statement: “More product-specific information can be found on the website”. The statement shall also contain a ~~reference~~hyperlink to the website ~~containing~~with the information referred to in Article ~~35~~45.

Article ~~30~~26

Sustainable investment objective attainment with a designated index section

For a financial product referred to in Article 9(1) of Regulation (EU) 2019/2088, the section referred to in point (g) of Article ~~23~~20(3) shall contain:

- (a) an explanation of how the taking into account of sustainability factors within the methodology of the reference benchmark is continuously aligned with the sustainable investment objective of the financial product;
- (b) an explanation ~~as to why and how the designated index differs from a broad market index; and~~
~~(c) an explanation~~ of how the alignment of the investment strategy referred to in Article ~~26~~22 with the methodology of the index is ensured on a continuous basis;
- (c) an explanation as to why and how the designated index differs from a relevant broad market index; and
- (d) an indication of where the methodology used for the calculation of the designated index can be found.

Article ~~31~~27

Objective of a reduction in carbon emissions section

1. For a financial product referred to in Article 9(3) of Regulation (EU) 2019/2088, the section referred to in point (h) of Article ~~23~~20(3) shall contain an explanation that the reference benchmark qualifies as an EU Climate Transition Benchmark or an EU Paris-aligned Benchmark under Chapter 3a of Title III of Regulation (EU) 2016/1011 ~~of the European Parliament~~ and an indication of where the ~~Council~~⁴⁴ methodology used for the calculation of that benchmark can be found.
2. By way of derogation from paragraph 1, where no EU Climate Transition Benchmark or EU Paris- aligned Benchmark in accordance with Regulation (EU) 2016/1011 is available, the section referred to in point (h) of Article ~~23~~20(3) shall explain that fact and how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the ~~long-term global warming targets~~objectives of the Paris ~~Climate~~-Agreement. ~~In-~~

⁴⁴Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending

Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p.1)

~~particular, the~~The financial market participant shall explain ~~how~~the extent to which the financial product complies with the methodological requirements set out in ~~Articles 19a, 19b and 19c of Commission Delegated Regulation (EU) 2016/1011~~2020/1818 ⁽¹¹⁾.

~~Article 32~~

~~Financial products referred to in Article 9(1) to (3) of Regulation (EU) 2019/2088 with Section 3~~

Pre-contractual information for financial products with investment options

Article 28

Financial products with one or more underlying investment options that qualify those financial products as those referred to in Article 8 of Regulation (EU) 2019/2088

1. By way of derogation from Articles ~~23~~13 to ~~31~~19, where a financial product offers investment options to the investor ~~a range of investment options that~~ and one or more of those investment options qualify that financial product as a financial product referred to in Article ~~9(1), (2) or (3) of Regulation (EU) 2019/2088, the information to be disclosed~~8 of Regulation (EU) 2019/2088, in accordance with Article ~~9(1) to (4) of that Regulation shall include:~~
~~(a) the summary list of~~8(1) and (2) of that Regulation, financial market participants shall provide a prominent statement in the main body of the document referred to in Article 6(3) of that Regulation (Article 6(3) document) that:
 - (a) the financial product promotes environmental or social characteristics;
 - (b) the attainment of those characteristics is subject to investing in at least one investment option in the list referred to in point (a) of paragraph 2 and holding at least one of those options during the holding period of the financial product; and
 - (c) further information related to those characteristics is available in the annexes referred to in paragraph 3 or, where relevant, through the references referred to in paragraph 5.
2. The prominent statement referred to in paragraph 1 shall be accompanied by:
 - (a) a list of the investment options referred to in points (a) to (c) of paragraph 3, presented in accordance with the categories referred to in those points; and
 - (b) the proportions of investment options within each of those categories relative to the total number of investment options offered by the financial product.
3. Financial market participants shall also provide the following information in annexes to the Article 6(3) document:
 - (a) for each investment option that qualifies as a financial product referred to in Article 8(1) of Regulation (EU) 2019/2088, the information referred to in Articles 13 to 19;
 - (b) for each investment option that qualifies as a financial product referred to in Article 9(1), (2) or (3) of that Regulation, the information referred to in Articles 20 to 27; and

¹¹Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

(c) for each investment option that has sustainable investment as its objective and is not a financial product referred to in Article 2(12) of Regulation (EU) 2019/2088, the information on the objective of sustainable investment.

4. Financial market participants shall present the information referred to in point (a) of paragraph 3 in accordance with the template set out in Annex II and the information referred to in point (b) of paragraph 3 in accordance with the template set out in Annex III.

5. By way of derogation from paragraph 3, where a financial product offers a range of investment options to the investor such that the information relating to those investment options;~~and~~

~~(b) the information cannot be provided by those investment options in accordance with in the annexes of the Article 9(1-6(3) to (4) of Regulation (EU) 2019/2088 with clear indications to which investment options the information relates.~~

~~The summary list shall include for each of those investment options cross-~~document in a clear and concise manner due to the number of annexes required, financial market participants may provide the information referred to in paragraph 3 by including in the main body of the Article 6(3) document references to the annexes of the applicable disclosures required by the sectoral legislation acts referred to in Article 6(3) of that Regulation (EU) 2019/2088 where that information is contained.

Article 29

Financial products with all underlying investment options having sustainable investment as their objective

1. By way of derogation from Articles 20 to 27, where a financial product offers investment options to the investor and all of those investment options have sustainable investment as their objective, in accordance with Article 9(1) to (4) of that Regulation, financial market participants shall provide a prominent statement in the main body of the Article 6(3) document that the financial product has as its objective sustainable investment and that the information related to that objective is available in the annexes referred to in paragraph 3 or, where relevant, through the references referred to in paragraph 5.

2. The prominent statement referred to in paragraph 1 shall be accompanied by:

(a) a list of the investment options referred to in points (a) and (b) of paragraph 3, presented in accordance with the categories referred to in those points; and

(b) the proportions of investment options within each of those categories relative to the total number of investment options offered by the financial product.

3. Financial market participants shall also provide the following information in annexes to the Article 6(3) document:

(a) for each investment option that qualifies as a financial product referred to in Article 9(1), (2) or (3) of that Regulation, the information referred to in Articles 20 to 27; and

(b) for each investment option that has sustainable investment as its objective and is not a financial product referred to in Article 2(12) of Regulation (EU) 2019/2088, the information on the objective of sustainable investment.

4. [Financial market participants shall present the information referred to in point \(a\) of paragraph 3 in accordance with the template set out in Annex III.](#)
5. [By way of derogation from paragraph 3, where a financial product offers a range of investment options to the investor such that the information relating to those investment options cannot be provided in the annexes of the Article 6\(3\) document in a clear and concise manner due to the number of annexes required, financial market participants may provide the information referred to in paragraph 3 by including in the main body of the Article 6\(3\) document references to the annexes of the applicable disclosures required by the sectoral acts referred to in Article 6\(3\) of Regulation \(EU\) 2019/2088 where that information is contained.](#)

[Article 30](#)

[Information on the objective of sustainable investment for financial products with options that do not themselves qualify as financial products](#)

[The information on the objective of sustainable investment referred to in Articles 28\(3\)\(c\), 29\(3\)\(b\), 72\(3\)\(c\) and 73\(2\)\(b\) shall include:](#)

- (a) [a description of the sustainable investment objective;](#)
- (b) [a list of the indicators used to measure the attainment of that sustainable investment objective; and](#)
- (c) [a description of how the investments do not significantly harm any of the sustainable investment objectives, including:](#)
 - (i) [how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account; and](#)
 - (ii) [whether the sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.](#)

CHAPTER IV

WEBSITE PRODUCT DISCLOSURE

(Article 10(1) of Regulation (EU) 2019/2088)

Article ~~33~~31

~~Sustainability~~[Website sustainability](#)-related product disclosure section

Financial market participants shall publish the information on their websites in accordance with Article 10(1) of Regulation (EU) 2019/2088 and this Chapter in a [separate](#) section titled, 'Sustainability-related disclosures', in the same part of the website as the other information relating to the financial product, including marketing communications. They shall clearly identify the financial product to which the information in the sustainability-related disclosure section relates and prominently display the environmental or social characteristics or the

sustainable investment objective of that financial product.

Article 32

Website product disclosure for financial products referred to in Article 8(1) of Regulation (EU) 2019/2088

~~1. Financial~~ For financial products referred to in Article 8(1) of Regulation (EU) 2019/2088, financial market participants shall publish the information referred to in Article 10(1) of ~~that~~ Regulation (EU) 2019/2088 and ~~this Article for each financial product referred to in Article 8(1) of Regulation (EU) 2019/2088. They shall publish that information~~ Articles 33 to 44 in the order and made up of the following sections titled:

(a) 'Summary', ~~which~~;

(b) 'No sustainable investment objective';

(c) 'Environmental or social characteristics of the financial product';

(d) 'Investment strategy';

(e) 'Proportion of investments';

(f) 'Monitoring of environmental or social characteristics';

(g) 'Methodologies';

(h) 'Data sources and processing';

(i) 'Limitations to methodologies and data';

(j) 'Due diligence';

(k) 'Engagement policies'; and

(l) where an index is designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark'.

Article 33

Summary website section for products that promote environmental or social characteristics

1. The section referred to in point (a) of Article 32 shall contain a summary of the information referred to in ~~this~~that Article that relates to the financial product of a maximum length of two sides of A4-sized paper when printed;

- ~~(b) 'Environmental or social characteristics of the financial product', which shall contain the information referred to in Article 10(1)(a) of Regulation (EU) 2019/2088;~~
- ~~(c) 'Proportion of investments' which shall contain the information referred to in The section shall be provided in at least:~~

(a) one of the official languages of the home Member State and, where different and where the financial product is marketed in more than one Member State, in an

additional language customary in the sphere of international finance; and

(b) where the financial product is marketed in a host Member State, one of the official languages of that host Member State.

Article ~~15(1)(b)~~;34

~~(d) 'No sustainable investment objective', which~~ website section

1. The section referred to in point (b) of Article 32 shall contain the following statement: "This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment."
2. Where the financial product commits to making one or more sustainable investments, the section shall also contain an explanation of how the sustainable investment does not significantly harm any of the sustainable investment objectives, including:
 - (a) how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account; and
 - (b) whether the sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Article 35

Environmental or social characteristics of the financial product website section

The section referred to in point (c) of Article 32 shall contain the information referred to in ~~paragraph 4~~;Article 10(1)(a) of Regulation (EU) 2019/2088.

Article 36

~~(e) 'Investment strategy', which~~ for products that promote environmental or social characteristics website section

The section referred to in point (d) of Article 32 shall contain :

- (a) a description of the investment strategy referred to in Article ~~17~~15; and
- (b) a description of the policy to assess good governance practices of the investee companies referred to in Article ~~17~~15(c), including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Article 37

Proportion of investments for products that promote environmental or social characteristics website section

The section referred to in point (e) of Article 32 shall contain the information referred to in Article 16 and shall distinguish between direct exposures in investee entities and all other types of exposures to those entities.

Article 38

~~(f)~~ **Monitoring of environmental or social characteristics**, which website section

The section referred to in point (f) of Article 32 shall contain a description of how the environmental or social characteristics ~~referred to in Article 15(1)(a)~~ and the sustainability indicators referred to in Article ~~18~~14 are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms;

Article 39

~~(g)~~ **Methodologies**, which for environmental or social characteristics website section

The section referred to in point (g) of Article 32 shall contain a description of the methodologies to measure the attainment of the social or environmental characteristics promoted by the financial product using the sustainability indicators referred to in Articles 14.

~~Article 18 and 37(2);~~ 40

~~(h)~~ **Due diligence**, which shall contain a description of due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence;

~~(i)~~ **Engagement policies**, which shall contain a description of the engagement policies implemented if engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies;

~~(j)~~ **Data sources and processing**, which for environmental or social characteristics website section

The section referred to in point (h) of Article 32 shall contain a description of:

(a) ~~i.~~ the data sources used to attain each of the environmental or social characteristics promoted by the financial product;

(b) ~~ii.~~ the measures taken to ensure data quality;

(c) ~~iii.~~ how data is processed; and

(d) ~~iv.~~ the proportion of data that is estimated;

Article 41

~~(k)~~ **Limitations** Limitation to methodologies and data, which for products that promote environmental or social characteristics website section

The section referred to in point (i) of Article 32 shall contain a description of :

(a) any limitations to the methodologies referred to in point (g), and the data sources referred to in point ~~(j)~~ as well as, of Article 32;

(b) how such limitations do not affect the attainment of the environmental or social characteristics promoted by the financial product, ~~including~~; and

(c) the actions taken to address such limitations; ~~and~~.

Article 42

~~(l)~~ **for financial products with an index designated as a reference benchmark**, **Due diligence for**

environmental or social characteristics website section

The section referred to in point (j) of Article 32 shall contain a description of the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.

Article 43

Engagement policies for environmental or social characteristics website section

The section referred to in point (k) of Article 32 shall contain a description of the engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies.

Article 44

Designated reference benchmark~~’, which shall contain the information referred to in paragraph 4.~~

~~2. The summary referred to in point (a) of paragraph 1 shall be provided in at least one of the official languages of the home Member State and, if different, in a language customary in the sphere of international finance.~~

~~3. The section referred to in point (d) of paragraph 1 shall contain the following statement: “This product does not have as its objective sustainable investment.” Where a financial product invests in a sustainable investment, the section shall also contain an explanation of how the sustainable investment does not significantly harm the sustainable investment objectives, including:~~

~~(a) how the indicators for adverse impacts in Annex I are taken into account; and~~

~~(b) how investments that significantly harm the sustainable investment objectives are excluded.~~
for products that promote environmental or social characteristics website section

1. ~~4.~~ The section referred to in point (h) of ~~paragraph 1~~Article 32 shall contain a description of how the index designated as a reference benchmark is aligned with the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select that data, the rebalancing methodologies, ~~the underlying components, and~~ and how the index is calculated ~~and the effect of leverage within the index. In case,~~

2. Where part or all of ~~that~~the information referred to in paragraph 1 is published on the website of the administrator of the reference benchmark, a hyperlink ~~may~~shall be provided to that information.

Article 3545

Website product disclosure for financial products referred to in Article 9(1), (2) and (3) of Regulation (EU) 2019/2088

~~1. Financial~~For financial products referred to in Article 9(1), (2) or (3) of Regulation (EU) 2019/2088, financial market participants shall publish the information referred to in Article 10(1) of ~~Regulation (EU) 2019/2088 and this Article for each financial product referred to in Article 9(1),~~

~~(2) and (3) of Regulation (EU) 2019/2088. They shall publish that information~~that Regulation and Articles 46 to 57 in the order and made up of the following sections titled:

- (a) 'Summary',~~which~~;
- (b) 'No significant harm to the sustainable investment objective';
- (c) 'Sustainable investment objective of the financial product';
- (d) 'Investment strategy';
- (e) 'Proportion of investments';
- (f) 'Monitoring of sustainable investment objective';
- (g) 'Methodologies';
- (h) 'Data sources and processing';
- (i) 'Limitations to methodologies and data';
- (j) 'Due diligence';
- (k) 'Engagement policies'; and
- (l) 'Attainment of the sustainable investment objective'.

Article 46

Summary website section for financial products with the objective of sustainable investment

1. The section referred to in point (a) of Article 45 shall contain a summary of the information referred to in ~~this~~that Article that relates to the financial product of a maximum length of two sides of A4-sized paper when printed.
2. The section shall be provided in at least:
 - (a) one of the official languages of the home Member State and, where different and where the financial product is marketed in more than one Member State, in an additional language customary in the sphere of international finance; and
 - (b) where the financial product is marketed in a host Member State, one of the official languages of that host Member State.

Article 47

No significant harm to the sustainable investment objective website section

The section referred to in point (b) of Article 45 shall contain an explanation of how the investments of the financial product do not significantly harm any of the sustainable investment objectives, including:

- (a) how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account; and
- (b) whether the sustainable investment is aligned with the OECD Guidelines for Multinational

[Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.](#)

Article 48

~~(b)~~ 'Sustainable investment objective of the financial product', which [website section](#)

[The section referred to in point \(c\) of Article 45](#) shall contain the information referred to in Article 10(1)(a) of Regulation (EU) 2019/2088²;

~~(c)~~ 'Proportion of investments' which shall contain the information referred to in [Article 24\(1\)\(b\)](#); [49](#)

~~(d)~~ 'No significant harm to [Investment strategy for financial products with the objective of sustainable investment objective](#)', which [website section](#)

[The section referred to in point \(d\) of Article 45](#) shall contain ~~the information referred to in paragraph 3~~;

~~(a)~~ ~~(c)~~ 'Investment strategy', which shall contain a description of the investment strategy referred to in Article ~~26~~[22](#); and

~~(b)~~ a description of the policy to assess good governance practices of the investee companies referred to in Article ~~26~~[22](#) ~~(e)~~, ~~in particular~~ [including](#) with respect to sound management structures, employee relations, remuneration of staff and tax compliance²;

Article 50

[Proportion of investments for financial products with the objective of sustainable investment website section](#)

[The section referred to in point \(e\) of Article 45](#) shall contain the information referred to in [Article 23](#) and shall distinguish between direct exposures in investee entities and all other types of exposures to those entities.

Article 51

~~(f)~~ 'Monitoring of [the sustainable investment objective](#)', which [website section](#)

[The section referred to in point \(f\) of Article 45](#) shall contain a description of how the sustainable investment objective ~~referred to in Article 24(1)(a)~~ and the sustainability indicators referred to in Article ~~27 and 37(2)~~[21](#) are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms²;

Article 52

~~(g)~~ 'Methodologies', which [for the sustainable objective website section](#)

[The section referred to in point \(g\) of Article 45](#) shall contain a description of the methodologies to measure the attainment of the sustainable investment objective using the sustainability indicators referred to in [Articles 21](#).

~~Article 27 and 37(2)~~; [53](#)

~~(h) 'Due diligence', which shall contain a description of due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence;~~

~~(i) 'Engagement policies', which shall contain a description of the engagement policies implemented if engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies;~~

~~(j) 'Data sources and processing', which for the sustainable objective website section~~

The section referred to in point (h) of Article 45 shall contain a description of:

~~(a) i~~ the data sources used to attain ~~each~~the sustainable investment ~~objectives~~objective of the financial product;

~~(b) ii~~ the measures taken to ensure data quality;

~~(c) iii~~ how data is processed; and

~~(d) iv~~ the proportion of data that is estimated; ;

Article 54

~~(k) 'Limitations~~Limitation to methodologies and data', which for the sustainable objective website section

The section referred to in point (i) of Article 45 shall contain a description of :

~~(a)~~ any limitations to the methodologies referred to in point (g), and the data sources referred to in point ~~(jh)~~ as well as, of Article 45;

~~(b)~~ how such limitations do not affect the attainment of the sustainable investment objective, ~~including;~~ and

~~(c)~~ the actions taken to address such limitations; ~~and~~ ;

Article 55

Due diligence for the sustainable objective website section

The section referred to in point (j) of Article 45 shall contain a description of the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.

Article 56

Engagement policies for the sustainable objective website section

The section referred to in point (k) of Article 45 shall contain a description of the engagement policies implemented where engagement is part of the sustainable investment objective, including any management procedures applicable to sustainability-related controversies in investee companies.

Article 57

~~(1) Attainment of the sustainable investment objective', which shall contain the information referred to in paragraph 4.~~

~~2. The summary referred to in point (a) of paragraph 1 shall be provided in at least one of the official languages of the home Member State and, if different, in a language customary in the sphere of international finance.~~

~~3. The **website section** referred to in point (d) of paragraph 1 shall contain an explanation of how the investments of the financial product do not significantly harm the sustainable investment objectives, including:~~

~~(a) how the indicators for adverse impacts in Annex I are taken into account; and~~

~~(b) how investments that significantly harm the sustainable investment objectives are excluded.~~

1. ~~4.~~ The section referred to in point (l) of ~~paragraph 1~~Article 45 shall contain a description of:

(a) for a financial product referred to in Article 9(1) of Regulation (EU) 2019/2088, how the index designated as a reference benchmark is aligned with the sustainable investment objective of the financial product, including the input data, the methodologies used to select that data, the rebalancing methodologies, ~~the underlying components, and~~ how the index is calculated ~~and the effect of leverage within the index~~; and

(b) for a financial product referred to in Article 9(3) of Regulation (EU) 2019/2088, a statement that the reference benchmark qualifies as an EU Climate Transition Benchmark or an EU Paris-aligned Benchmark under Chapter 3a of Title III of Regulation (EU) 2016/1011 ~~of the European Parliament and of the Council¹⁵~~ and a hyperlink to where the methodology used for the calculation of that benchmark can be found.

2. ~~5.~~ By way of derogation from point (a) of paragraph ~~4~~1, ~~in case part or all of~~ where the information referred to in that point is published on the website of the administrator of the reference benchmark, a hyperlink ~~may~~shall be provided to that information.

3. ~~6.~~ By way of derogation from point (b) of paragraph ~~4~~1, where no EU Climate Transition Benchmark or EU Paris-aligned Benchmark in accordance with Regulation (EU) 2016/1011 is available, the section referred to in point (l) of ~~paragraph 1~~Article 45 shall explain that fact and how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the ~~long-term global warming targets~~ objectives of the Paris Climate Agreement. ~~In particular, the~~ The financial market participant shall also explain ~~how~~ the extent to which the financial product complies with the methodological requirements set out in ~~Articles 19a, 19b and 19c of~~ Commission Delegated Regulation (EU) 2016/1011 ~~2020/1818~~.

CHAPTER V

PRODUCT DISCLOSURE IN PERIODIC REPORTS

(Article 11(1) of Regulation (EU) 2019/2088)

Section 1

¹⁵Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending

Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p.1)

Article ~~36~~58

Presentation and content requirements for periodic reports for financial products referred to in Article 8(1) of Regulation (EU) 2019/2088

~~1. Financial~~ For financial products referred to in Article 8(1) of Regulation (EU) 2019/2088, financial market participants shall present the information referred to in Article 11(1) of Regulation (EU) 2019/2088; and this Section in an annex to the document referred to in Article ~~and Articles 37 to 42~~11(2) of ~~this~~that Regulation in accordance with the ~~templates~~template set out in Annex IV ~~of this~~. They shall include a prominent statement in the main body of the document referred to in Article 11(2) of that Regulation. ~~The that~~ information on the environmental or social characteristics is available in that annex.

2. Financial market participants shall ~~be~~represent the information referred to in paragraph 1 in the order and made up of the following sections titled:

(a) ~~'Attainment of~~To what extent were the environmental and/or social characteristics promoted by ~~the~~this financial product met?;

(b) ~~'No significant harm of sustainable investment objectives';~~

~~(c) Top~~What were the top investments of ~~the~~this financial product?;

~~(d) for a financial product with an index designated as a reference benchmark that is not aligned with an environmental or social characteristic promoted by the financial product, 'Sustainable performance of the index designated as a benchmark';~~

~~(e) Proportion~~What was the proportion of sustainability-related investments?; ~~and~~

~~(c) (f) Actions~~What actions have been taken to meet the environmental and/or social characteristics during the reference period?; and

~~(d)~~ for a financial product that designated an index as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, 'How did this financial product perform compared to the designated reference benchmark?'.

Article ~~37~~59

Attainment of the environmental or social characteristics promoted by the financial product section

~~1.~~ The section referred to in point (a) of Article ~~36~~58(2) shall contain the following:

(a) a description of the extent to which the environmental or social characteristics promoted by the financial product were attained during the reference period, including the performance of the sustainability indicators ~~used~~referred to in Article 14 and any derivatives referred to in Article 16(1)(c) used to attain the environmental or social characteristics;

(b) where the financial market participant has provided at least one previous periodic report in accordance with this ~~Article~~Section for the financial product, a historical comparison between the reference period and previous reference periods.

~~2. In respect of any additional sustainability indicator excluded from the pre-contractual~~

information provided in accordance with Article 18 or in a previous periodic report provided in accordance with this Article, the section shall also include an explanation and justification of the use of that indicator, including how it is consistent with the environmental or social characteristic promoted by the financial product. [Article 60](#)

Top investments for products that promote environmental or social characteristics section

Article 38

~~No significant harm to sustainable investment objectives~~

~~For a financial product with a sustainable investment, the~~

~~1. The section referred to in point (b) of Article 36 shall contain an explanation of how that sustainable investment has not harmed significantly the sustainable investment objectives during the reference period, including:~~

~~(a) how the indicators for adverse impacts in Annex I were taken into account; and~~

~~(b) whether any investments were excluded due to their significant harm to the sustainable investment objectives.~~

Article 39

Top investments of the financial product

~~1. The section referred to in point (c) of Article 36~~[58\(2\)](#) shall contain a list, in descending order of size, of the [2515](#) investments constituting ~~on average~~ the greatest proportion of investments of the financial product during the reference period, including the sector and ~~location~~[countries](#) of those investments.

2. By way of derogation from paragraph 1, where the number of investments constituting ~~on average~~ 50 percent of the investments of the financial product during the reference period is less than [2515](#), [the section referred to in point \(b\) of Article 58\(2\) shall contain](#) a list of those investments, in descending order of size, including the sector and location of those investments.

Article 40~~61~~

Proportion of sustainability-related investments section for products that promote environmental or social characteristics

1. The section referred to in point (c) of Article 58(2) shall contain the following information:

(a) a description of the investments of the financial product; and

(b) if a financial product included a commitment to make sustainable investments, an explanation of how those sustainable investments have contributed to a sustainable investment objective and not harmed significantly any of the sustainable investment objectives during the reference period, including:

(i) how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of Annex I, were taken into account; and

(ii) whether the sustainable investment was aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human

Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

2. For the purposes of point (a) of paragraph 1 the description shall explain:

(a) the proportions of the investments of the financial product;

(b) the purpose of the remainder of the investments during the reference period, including a description of any minimum environmental or social safeguards and whether those investments are used for hedging, relate to cash held as ancillary liquidity or are investments for which there is insufficient data; and

(c) the proportion of investments during the reference period in different sectors and sub-sectors, including the fossil fuel sectors.

Article 62

Actions taken to attain environmental or social characteristics section

The section referred to in point (d) of Article 58(2) shall contain the actions taken within the reference period to attain the environmental or social characteristics promoted by the financial product, including shareholder engagement as defined in Article 3g of Directive 2007/36/EC and any other engagement relating to the environmental or social characteristics promoted by the financial product.

Article 63

Sustainable performance of the index designated as a benchmark for environmental or social characteristics section

1. The section referred to in point (d) of Article ~~36~~58(2) shall include:

(a) an explanation of how the index designated as a reference benchmark differs from a relevant broad market index, including at least the performance during the reference period of the sustainability indicators deemed relevant by the financial market participant to determine the alignment of the index with the ~~sustainable investment objective and the sustainability~~environmental or social characteristics promoted by the financial product and the ESG factors referred to in the benchmark statement of the benchmark administrator in accordance with Article 27(2a) of Regulation (EU) 2016/1011;

(b) a comparison of the performance during the reference period of the financial product with regard to the indicators measuring the sustainability factors of the index referred to in point (a); and

(c) a comparison of the performance during the reference period of the financial product with regard to a relevant broad market index.

2. The comparisons referred to in points (b) and (c) shall be presented, where relevant, in the form of a table or graphical representation.

~~Article 41~~

~~Proportion of sustainability-related investments~~

The section referred to in point (e) of Article 36 shall contain the following:

~~(a) a graphical representation that illustrates the proportions during the reference period of:~~

~~(i) the total investments that are sustainable investments and, where relevant, the subdivision of those sustainable investments between environmental or social objectives;~~

~~(ii) the total investments other than those in point (i) that contribute to the attainment of the environmental or social characteristics promoted by the financial product and, where relevant, the subdivision of those investments between environmental or social characteristics; and~~

~~(iii) the remainder of the investments; and~~

~~(b) a narrative explanation that explains:~~

~~(i) the proportions in point (a) distinguishing between direct holdings in investee companies and all other types of exposures to those companies;~~

~~(ii) the purpose of the remainder of the investments during the reference period, including a description of any potential minimum environmental or social safeguards and whether those investments are used for hedging, relate to money market instruments or are investments for which there is insufficient data; and~~

~~(iii) the proportion of investments during the reference period in different sectors and sub-sectors, including the fossil fuel sectors.~~

Article 42

Actions taken to attain environmental or social characteristics

The section referred to in point (f) of Article 36 shall contain the actions taken within the reference period to attain the environmental or social characteristics promoted by the financial product, including shareholder engagement as defined in Article 3g of Directive 2007/36/EC and any other relevant shareholder engagement.

Section 2

Periodic reports for financial products referred to in Article 9(1), (2) and (3) of Regulation (EU) 2019/2088

Article 43~~6~~4

Presentation and content requirements for periodic reports for financial products referred to Article 9(1), (2) and (3) of Regulation (EU) 2019/2088

1. ~~Financial~~ For financial products referred to in Article 9(1), (2) and (3) of Regulation (EU) 2019/2088, financial market participants shall present the information referred to in Article 11(1) of that Regulation ~~(EU) 2019/2088, and~~ this Section in an annex to the document referred to in Article ~~and Articles 43 to 51~~ 11(2) of ~~this~~ that Regulation in accordance with the templates set out in Annex V ~~of this~~. Financial market participants shall include a prominent statement in the main body of the document referred to in Article 11(2) of that Regulation.

~~The~~ that information on sustainable investment is available in that annex.

2. Financial market participants shall ~~be~~represent the information referred to in paragraph 1 in the order and made up of the following sections titled:

(a) ~~'Attainment of~~To what extent was the sustainable investment objective of ~~the~~this financial product met?';

(b) ~~'No significant harm of sustainable investment objectives';~~
~~(c) 'Top~~What were the top investments of ~~the~~this financial product?';

(c) 'What was the proportion of sustainability-related investments?';

(d) 'What actions were taken to attain the sustainable investment objective during the reference period?';

(e) ~~(d)~~for a financial product referred to in Article 9(1) of Regulation (EU) 2019/2088, ~~'Sustainable performance of the index designated as a~~How did this financial product perform compared to the reference sustainable benchmark?'; and

(f) ~~(e)~~for a financial product referred to in Article 9(3) of Regulation (EU) 2019/2088, ~~'Objective~~How was the objective of a reduction in carbon emissions?';

~~(f) 'Proportion of sustainability-related investments'; and~~
~~(g) 'Actions taken to attain the sustainable investment objective~~ aligned with the Paris Agreement?'.

*Article 44*65

Attainment of the sustainable investment objective of the financial product section

~~1.~~The section referred to in point (a) of Article ~~43~~64(2) shall contain the following:

(a) a description of the extent to which the sustainable investment objective was attained during the reference period, including the performance of the sustainability indicators ~~used~~referred to in Article 21 and any derivatives referred to in Article 23(1)(b) used to attain the sustainable investment objective; and

(b) where the financial market participant has provided at least one previous periodic report in accordance with this ~~Article~~Section for the financial product, a historical comparison between the current reference period and previous reference periods.

~~2. In respect of any additional sustainability indicator excluded from the pre-contractual information provided in accordance with Article 27 or in a previous periodic report provided in accordance with this Article, the section shall also include an explanation and justification of the use of that indicator, including how it is consistent with the~~Article 66

Top investments for financial products that have a sustainable investment objective.

Article 45

No significant harm to sustainable investment objectives

The ~~section~~ referred to in point (h) of Article 43 shall contain an explanation of how the investments of the financial product have not significantly harmed the sustainable investment objectives during the reference period, including

- ~~(a) how the indicators for adverse impacts in Annex I were taken into account; and~~
- ~~(b) whether any investments were excluded due to their significant harm to the sustainable investment objectives.~~

~~Article 46~~

~~Top investments of the financial product~~

1. The section referred to in point (b) of Article ~~43~~64(2) shall contain a list, in descending order of size, of the ~~25~~15 investments constituting ~~on average~~ the greatest proportion of investments of the financial product during the reference period, including the sector and ~~location~~countries of those investments.
2. By way of derogation from paragraph 1, where the number of investments constituting ~~on average~~ 50 percent of the investments of the financial product during the reference period is less than ~~25~~15, the section referred to in point (b) of Article 64(2) shall contain a list of those investments, in descending order of size, including the sector and ~~location~~countries of those investments.

~~Article 47~~67

Proportion of sustainability-related investments for financial products that have a sustainable investment objective section

1. The section referred to in point (c) of Article 64(2) shall contain the following:
 - (a) a description of the investments of the financial product;
 - (b) an explanation of how the sustainable investment of the financial product has contributed to a sustainable investment objective and not harmed significantly any of the sustainable investment objectives during the reference period, including:
 - (i) how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of Annex I, were taken into account; and
 - (ii) whether the sustainable investment was aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.
2. For the purposes of point (a) of paragraph 1 the description shall explain:
 - (a) the proportions of the investments of the financial product;
 - (b) the purpose of the remainder of the investments during the reference period, including a description of any minimum environmental or social safeguards and whether those investments are used for hedging, relate to cash held as ancillary liquidity or are investments for which there is insufficient data; and
 - (c) the proportion of investments during the reference period in different sectors and sub-sectors.

Article 68

Actions taken to attain the sustainable investment objective section

The section referred to in point (d) of Article 64(2) shall contain the actions taken within the reference period to attain the sustainable investment objective of the financial product, including shareholder engagement as defined in Article 3g of Directive 2007/36/EC and any other engagement relating to the sustainable investment objective.

Article 69

Sustainable performance of the index designated as a benchmark for the sustainable objective section

1. For financial products referred to in Article 9(1) of Regulation (EU) 2019/2088, the section referred to in point (e) of Article ~~43~~64(2) shall contain the following:
 - (a) an explanation of how the index designated as a reference benchmark differs from a relevant broad market index, including at least the performance during the reference period of the sustainability indicators deemed relevant by the financial market participant to determine the alignment of the index with the sustainable investment objective, including the ESG factors referred to in the benchmark statement of the benchmark administrator in accordance with Article 27(2a) of Regulation (EU) 2016/1011;
 - (b) a comparison of the performance during the reference period of the financial product with regard to the indicators measuring the sustainability factors of the index referred to in point (a); and
 - (c) a comparison of the performance during the reference period of the financial product with regard to a relevant broad market index.
2. The comparisons referred to in ~~point~~points (b) and (c) of paragraph 1 shall be made, where relevant, in the form of a table or graphical representation.

~~3. By way of derogation from point (a) of paragraph 1, if the number of investments constituting on average 50 percent of the investments of the index during the reference period is less than 25, the section referred to in point (c) of Article 43 shall contain a list of those investments, in descending order of size, including the sector and location of those investments.~~

Article 48~~70~~

Objective of a reduction in carbon emissions section

For a financial ~~product~~products referred to in Article 9(3) of Regulation (EU) 2019/2088, the section referred to in point (e) of Article ~~43~~64(2) shall contain a description of the contribution of the financial product during the reference period to achieving the ~~long-term global warming~~ objectives of the Paris Agreement, including in respect of an EU Climate Transition Benchmark or EU Paris-aligned Benchmark, the ESG factors and criteria considered by the benchmark administrator in accordance with ~~Articles 19a to 19d and Article 27(2a) of~~Commission Delegated Regulation (EU) 2016/1011.

~~Article 49~~

~~Proportion of sustainability-related investments~~

The section referred to in point (f) of Article 43 shall contain the following:

~~(i) a graphical representation that illustrates the proportions during the reference period of the total investments that are sustainable investments and, where relevant, the subdivision of those sustainable investments with environmental or social objectives;~~

~~(ii) a narrative explanation that explains:~~

~~(i) the proportions in point (a) distinguishing between direct holdings in investee companies and all other types of exposures to those companies; and~~

~~(ii) the purpose of the remainder of the investments during the reference period, including a description of any minimum environmental or social safeguards and whether those investments are used for hedging, relate to money market instruments or are investments for which there is insufficient data; and~~

~~(iii) the proportion of investments during the reference period in different sectors and sub-sectors, including the fossil fuel sectors.~~

Article 50

~~Actions taken to attain the sustainable investment objective~~

The section referred to in point (g) of Article 43 shall contain the actions taken within the reference period to attain the sustainable investment objective of the financial product, including shareholder engagement as defined in Article 3g of Directive 2007/36/EC and any other relevant shareholder engagement [2020/1818](#).

Section 3

~~Historical comparisons for periodic reports~~

Article 51

~~Historical comparisons for periodic reports~~

~~Historical comparisons for periodic reports and investment options~~

Article 71

~~Historical comparisons for periodic reports~~

1. The historical comparisons referred to in Articles ~~37(1)~~[59](#)(b) and ~~44(1)~~[65](#)(b) shall compare the current reference period with [the previous reference period provided in accordance with those Articles and shall continue to make such historical comparisons for at least five previous reference periods](#) ~~that cover at least the shortest of the following:~~

~~(a) the previous ten years;~~

~~(b) from the date on which the financial market participant first considered the sustainability indicator reported on; or~~

~~(c) from 1 January 2022.~~

2. For the purposes of paragraph 1, financial market participants shall report on the performance of the sustainability indicators consistently over time, including the

following information:

- ~~(a) annual average performance figures net of fees, including an identification of the charges and fees included or excluded from the calculation of performance figures;~~
- ~~(a) (b)~~ where quantitative disclosures are made, figures with a relative measure such as impact per euro invested;
- ~~(b) (c)~~ whether each indicator is which indicators are subject to an assurance provided by an auditor or a review by a third party; and
- ~~(c) (d)~~ the proportion of underlying assets of the financial product referred to in Articles ~~41(b)(ii)61~~ and ~~49(b)(iii)67~~.

Article 5272

Financial products with one or more underlying investment options that qualify those financial products as those referred to in Article 8 of Regulation (EU) 2019/2088

1. By way of derogation from Articles ~~3658~~ to ~~5164~~, where a financial products that offer the investor product offers investment options ~~referred to in Articles 22 to the investor~~ and ~~32 one or more~~ of ~~this~~ those investment options qualify that financial product as a financial product referred to in Article 8 of Regulation (EU) 2019/2088, in accordance with Article 11(1) ~~of~~ financial market participants shall provide a prominent statement in the main body of the document referred to in Article 11(2) of that Regulation (EU) 2019/2088 Article 11(2) document) that:
 - ~~(a) summary of information provided in accordance with Article 11(1) of Regulation (EU) 2019/2088 by selected~~
 - (a) the financial product promotes environmental or social characteristics;
 - (b) the attainment of those characteristics is subject to investing in at least one investment option referred to in paragraph 2 and holding at least one of those options during the holding period of the financial product; and
 - (c) further information related to those characteristics is available in the annexes referred to in that paragraph.
2. Financial market participants shall also provide the following information in annexes to the Article 11(2) document:
 - (a) for each investment options option invested in that qualify qualifies as a financial products product referred to in Article 8(1) and of Regulation (EU) 2019/2088, the information referred to in Articles 58 to 64;
 - (b) for each investment option invested in that qualifies as a financial product referred to in Article 9(1), (2) and/or (3) of that Regulation, the information referred to in Articles 65 to 70; and
 - (c) (b) for each investment option invested in that has sustainable investment as its objective and is not a financial product referred to in Article 2(12) of Regulation (EU) 2019/2088, the information provided by on the objective of sustainable investment.
3. Financial market participants shall present the information referred to in point (a) of

paragraph 2 in accordance with the template set out in Annex IV and the information referred to in point (b) of paragraph 2 in accordance with the template set out in Annex V.

Article 73

Financial products with all underlying investment options having sustainable investment as their objective

1. By way of derogation from Articles 65 to 70, where a financial product offers investment options to the investor and all of those investment options have sustainable investment as their objective, in accordance with Article 11(1) of ~~Regulation (EU) 2019/2088 with clear indications to which investment options the information relates~~ that Regulation, financial market participants shall provide a prominent statement in the main body of the Article 11(2) document that the financial product has as its objective sustainable investment and that the information related to that objective is available in the annexes referred to in paragraph 2.
2. Financial market participants shall also provide the following information in annexes to the Article 11(2) document:
 - (a) for each investment option invested in that qualifies as a financial product referred to in Article 9(1), (2) or (3) of that Regulation, the information referred to in Articles 65 to 70; and
 - (b) for each investment option invested in that has sustainable investment as its objective and is not a financial product referred to in Article 2(12) of Regulation (EU) 2019/2088, the information on the objective of sustainable investment.
3. Financial market participants shall present the information referred to in point (a) of paragraph 2 in accordance with the template set out in Annex V.

CHAPTER VI

FINAL ~~PROVISIONS~~ PROVISION

Article ~~53~~ 74

~~Transitional provision~~

~~In respect of a financial market participant that first considered the principal adverse impacts of its investment decisions before 1 March 2021, from that date until 30 June 2022, by way of derogation from Article 4(1), that financial market participant shall publish the information in Articles 5 to 10 except for the information that relates to a reference period.~~

Article ~~54~~

Entry into force and application

1. This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.
2. This Regulation shall apply from ~~10 March 2021~~ 1 January 2022.
3. By way of derogation from paragraph 2 ~~of this Article, Articles 36 to 52, the reporting on Scope 3 GHG emissions in Tables 1 and 2 of Annex I~~ shall apply from 1 January ~~2022~~ 2023.

ANNEX I

Template principal adverse sustainability impacts statement

For the purposes of this Annex, the following definitions shall apply:

- (1) ~~(a)~~ 'scope 1, 2 and 3 ~~carbon~~GHG emissions' means the scope of greenhouse gas emissions referred to in subpoints (i) to (iii) of point (1)(e)~~(i-iii)~~ of Annex III of Regulation (EU) 2016/1011 ~~of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014⁴⁶~~;
- (2) ~~(b)~~ 'tonne of carbon dioxide equivalent' greenhouse gas (GHG) emissions' means greenhouse gas emissions as defined in point (1) of Article 3 of Regulation (jEU) of Directive 2003/87/EC 2018/842 of the European Parliament and of the Council ~~of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC⁴⁷ (12)~~;
- (3) ~~(c)~~ 'enterprise value' means the sum, at fiscal year-end, of the ~~investee company's~~ market capitalisation of ~~common stock at fiscal year end~~ordinary shares, the market capitalisation of preferred ~~equity at fiscal year end~~shares, and the book ~~values~~value of total debt and ~~minorities'~~non-controlling interests ~~excluding, without~~ the deduction of cash ~~and/or~~ cash equivalents ~~held by the investee company~~;
- (4) ~~(d)~~ 'current value of investment' means the value in EUR of the investment by the financial market participant in the investee company;
- (5) ~~(e)~~ 'current value of all investments' means the value in EUR of all investments by the financial market participant;
- (6) ~~(f)~~ 'total ~~carbon~~GHG emissions' shall be calculated in accordance with the following formula:

[7]

Σ ([])

¹² Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013

⁴⁶ OJ L 171, 29.6.2016, p. 1 to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

⁴⁷ OJ L 275 25.10.2003, p. 32.

¹⁶ [OJ L 171, 29.6.2016, p. 1 to climate action to meet commitments under the Paris Agreement and amending Regulation \(EU\) No 525/2013 \(OJ L 156, 19.6.2018, p. 26\).](#)

¹⁷ [OJ L 275 25.10.2003, p. 32.](#)

(7) (g) 'carbon footprint' shall be calculated in accordance with the following formula:

$$\frac{\sum_{i=1}^n \left(\frac{W_i}{\sum_{i=1}^n W_i} \right) \times \left(\frac{GHG_i}{W_i} \right)}{\sum_{i=1}^n \left(\frac{W_i}{\sum_{i=1}^n W_i} \right)} \times \left(\frac{1}{1000} \right) \times 1,2$$

(€ t)

(8) (h) 'weighted average' means a ratio of the weight of the investment by the financial market participant in an investee company in relation to all investments of the financial market participant;

(9) (i) 'carbon GHG intensity of investee companies' shall be calculated in accordance with the following formula:

$$\frac{\sum_{i=1}^n \left(\frac{W_i}{\sum_{i=1}^n W_i} \right) \times \left(\frac{GHG_i}{W_i} \right)}{\sum_{i=1}^n \left(\frac{W_i}{\sum_{i=1}^n W_i} \right)} \times \left(\frac{1}{1000} \right) \times 1,2$$

(€ t)

??

¹⁸ OJ L 328 21.12.2018, p.82 ¹⁹ <https://www.eea.europa.eu/data-and-maps/data/nationally-designated-areas-national-cdda-14>

$\frac{\sum_{i=1}^n \text{GHG Intensity}_i \times \text{Revenue}_i}{\sum_{i=1}^n \text{Revenue}_i}$

$\times \sum_{i=1}^n \text{Revenue}_i$

$\sum_{i=1}^n \text{Revenue}_i \times \text{GHG Intensity}_i$

$\sum_{i=1}^n \text{Revenue}_i \times \text{GHG Intensity}_i$

$\times \frac{\sum_{i=1}^n \text{Revenue}_i \times \text{GHG Intensity}_i}{\sum_{i=1}^n \text{Revenue}_i}$

(10) 'GHG intensity of sovereigns' shall be calculated in accordance with the following formula:

$$\frac{\sum_{i=1}^n \text{GHG Intensity}_i \times \text{Revenue}_i}{\sum_{i=1}^n \text{Revenue}_i}$$

(11) 'companies active in the fossil fuel sector' means (i) companies that derive any revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite; (ii) companies that derive any revenues from the exploration, extraction, distribution (including transportation, storage and

trade) or refining of liquid fossil fuels; and (iii) companies that derive any revenues from exploring and extracting fossil gaseous fuels or from their dedicated distribution (including transportation, storage and trade);

- (12) ~~(j)~~ 'renewable energy sources' means renewable energy sources as ~~defined~~ referred to in Article 2(1) of Directive (EU) 2018/2001 of the European Parliament and of the Council ~~of 11 December 2018 on the promotion of the use of energy from renewable sources (recast)~~⁽¹³⁾~~48~~;
- (13) ~~(k)~~ 'non-renewable energy sources' means energy ~~from~~ sources other than those referred to in point (j)⁽¹²⁾;
- (14) ~~(l)~~ 'energy consumption intensity' means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;
- (15) 'high impact climate sectors' means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council ⁽¹⁴⁾;
- (16) ~~(m)~~ 'protected area' means an area designated under the European Environment Agency's Common Database on Designated Areas (CDDA)⁴⁹;

¹³[Directive \(EU\) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources \(recast\) \(OJ L 328 21.12.2018, p. 82\).](#)

¹⁴[Regulation \(EC\) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation \(EEC\) No 3037/90 as well as certain EC Regulations on specific statistical domains \(OJ L 393, 30.12.2006, p. 1\).](#)

¹⁶ [Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy \(OJ L 327, 22.12.2000, p. 1\).](#)

(17) ~~(n)~~ 'area of high biodiversity value outside protected areas' means land with high biodiversity value as ~~defined~~ [referred to in](#) Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council ~~of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC~~²⁰ [\(15\)](#);

~~(e)~~

(18) '~~water-emissions to water~~' means ~~direct nitrates, direct phosphate emissions, direct pesticides emissions,~~ direct emissions of priority substances as defined in ~~the~~ [Article 2\(30\) of](#) Directive 2000/60/EC of the European Parliament and of the Council ~~of 23 October 2000 establishing a framework for Community action in the field of water policy~~²¹ [\(16\)](#) ~~and direct nitrates, direct phosphate emissions, direct pesticides emissions as referred to in that Directive,~~ Council Directive of 12

²⁰ OJ L 350, 28.12.1998, p.58

¹⁵ [Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC \(OJ L 350, 28.12.1998, p. 58\).](#)

²¹ OJ L 327, 22.12.2000, p.1

²² OJ L 375, 31.12.1991, p.1

¹⁶ [Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy \(OJ L 327, 22.12.2000, p. 1\).](#)

December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (91/676/EEC) ~~22~~⁽¹⁷⁾, Council Directive 91/271/EEC of 21 May 1991 concerning urban waste-water treatment²³ ~~(18)~~ and Directive 2010/75/EU of the European Parliament and of the Council of ~~24 November 2010 on industrial emissions (integrated pollution prevention and control)~~⁽¹⁹⁾²⁴;

(19) ~~(p)~~ ~~'area~~^{areas} of high water stress' means regions where the percentage of total water withdrawn is high (~~60~~⁴⁰⁻⁸⁰%) or extremely high (greater than 80%) in the World Resources Institute's (WRI) Water Risk Atlas tool "Aqueduct";

(20) ~~(e)~~ ~~'hazardous waste'~~ means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council of ~~19 November 2008 on waste and repealing certain Directives~~²⁵⁽²⁰⁾ and radioactive waste;

(21) ~~(r)~~ ~~'non-recycled waste'~~ means any waste not recycled within the meaning of 'recycling' in Article 3(17) of Directive 2008/98/EC;

(22) ~~(s)~~ ~~'drivers of activities negatively affecting biodiversity and ecosystem change sensitive areas'~~ means ~~the ones examined in the global assessment report on biodiversity and~~ activities (i) leading to the deterioration of natural habitats and the habitats of species and to disturbance of the species for which the protected area has been designated; and (ii) where conclusions or necessary mitigation measures identified by any of the following assessments have not been implemented accordingly:

(a) Directive 2009/147/EC of the European Parliament and of the Council ⁽²¹⁾;

(b) Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora ⁽²²⁾;

¹⁷ OJ L 375, 31.12.1991, p. 1.

~~23~~¹⁸ OJ L 135, 30.5.1991, p. 40.

¹⁹ Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

~~24~~²⁴ OJ L 334, 17.12.2010, p. 17. ~~25~~²⁵ OJ L 312, 22.11.2008, p. 3.

²⁰ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

²¹ Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

²² Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

²²[Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora \(OJ L 206, 22. 7.1992, p. 7\).](#)

(c) an Environmental Impact Assessment (EIA) within the meaning of point (g) of Article 1(2) of Directive 2011/92/EU of the European Parliament and of the Council ⁽²³⁾; and

(d) for activities located in third countries, in accordance with equivalent national provisions or international standards, such as the International Finance Corporation (IFC) Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;

(23) ‘biodiversity-sensitive areas’ means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas (‘KBAs’), as well as other protected areas, as referred to in the Annex of Commission Delegated Regulation (EU) .../... of ... supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives ⁽²⁴⁾;

(24) ‘threatened species’ means endangered species (flora and fauna) listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Commission Delegated Regulation (EU) .../....[insert the Commission Delegated Regulation referred to in point 23];

(25) ‘deforestation’ means the human-induced conversion of forested land to non-forested land, which can be permanent, when this change is definitive, or temporary when this change is part of a cycle that includes natural or assisted regeneration, according to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) as referred to in paragraph 100 of Decision No 1386/2013/EU of the European Parliament and of the Council ⁽²⁵⁾;

(26) ‘soil degradation’ means the diminishing capacity of the soil to provide ecosystem goods and services ~~of~~as desired by its stakeholders, according to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), ~~released in May 2019(t)~~ as referred to in paragraph 100 of Decision No 1386/2013/EU;

²³Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 026, 28.1.2012, p. 1).

²⁴[Insert OJ reference].

²⁵Decision No 1386/2013/EU of the European Parliament and of the Council of 20 November 2013 on a General Union Environment Action Programme to 2020 ‘Living well, within the limits of our planet’ (OJ L 354, 28.12.2013 p. 171).

(27) 'UN Global Compact principles' means Principles 1 to 10 or the 'Ten Principles' of the United Nations Global Compact;

(28) 'inefficient real estate assets' means the real estate assets calculated in accordance with the following formula and where 'nearly zero-energy building (NZEB)', 'primary energy demand (PED)' and 'energy performance certificate (EPC)' shall have the meanings given to them in Article 2(2), (5) and (12) respectively of Directive 2010/31/EU of the European Parliament and of the Council ⁽²⁶⁾:

~~((~~Value of real estate assets built before 31/12/2020 with EPC of C or below~~) + (Value of real estate assets built after 31/12/2020 with PED below NZEB~~

in Directive 2010/31/EU))

~~Value of real estate assets built before 31/12/2020 with EPC of C or below~~

(29) 'unadjusted gender pay gap' means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of ~~male~~average gross hourly earnings of male paid employees;

²⁶[Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings \(recast\) \(OJ L 153, 18.6.2010, p. 13\).](#)

(30) ~~(u)~~ 'board' means the administrative, management or supervisory body of a company;

(31) ~~(v)~~ 'human rights policy' means a policy commitment approved at board level on human rights covering the economic activities of the investee company consistent with UN Guiding Principles on Business and Human Rights;

(32) ~~(w)~~ 'whistleblower' means 'reporting person' as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council ~~on the protection of persons who report breaches of Union law²⁶; and~~ [\(27\)](#);

(33) ['inorganic pollutants' means emissions within or lower than the emission levels associated with the best available techniques \(BAT-AEL\) ranges set out in the Best Available Techniques Reference Document \(BREF\) for the Large Volume Inorganic Chemicals- Solids and Others industry;](#)

(34) ~~(x)~~ 'air pollutants' means direct sulphur dioxides (SO_x/SO₂) emissions, direct nitrogen oxides (NO_x/NO₂) emissions, ~~direct ammonia (NH₃) emissions, direct particulate matter (PM_{2.5}) emissions,~~ direct non-methane volatile organic compounds (NMVOC) emissions, [and direct particulate matter \(PM_{2.5}\) emissions as defined in points \(5\) to \(8\) of Article 3 of, as well as direct ammonia](#)

[\(NH₃\) and direct total heavy metals \(HM\) emissions \(encompassing cadmium, mercury and lead\) as defined](#) [referred to](#) in Directive (EU) 2016/2284 of the European Parliament and of the Council ~~of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC²⁷;~~ [and](#)

(35) ['ozone depletion substances' mean substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer](#) ⁽²⁹⁾.

²⁶ [OJ L305, 26.11.2019, p.17](#)

²⁷ [Directive \(EU\) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law \(OJ L305, 26.11.2019, p. 17\).](#)

²⁸ [OJ L344, 17.12.2016, p.1](#)

²⁸ [Directive \(EU\) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC \(OJ L 344, 17.12.2016, p. 1\).](#)

²⁹ [OJ L 297, 31.10.1988, p. 21.](#)

Table 1

Principal adverse [sustainability](#) impacts statement

[Financial market participant](#) *[Name and, where available, LEI]*

Summary

[Name and, where available, LEI] considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated principal adverse sustainability impacts statement of [name of the financial market participant] [where applicable, insert “and its subsidiaries, namely [list the subsidiaries included]”].

This principal adverse impacts statement covers the reference period from [insert “1 January” or the date on which principal adverse impacts were first considered] to 31 December [year n].

[Summary referred to in Article 5 provided in the languages referred to in paragraph 2 thereof]

Description of principal adverse sustainability impacts

[Information referred to in Article 6 in the format set out below]

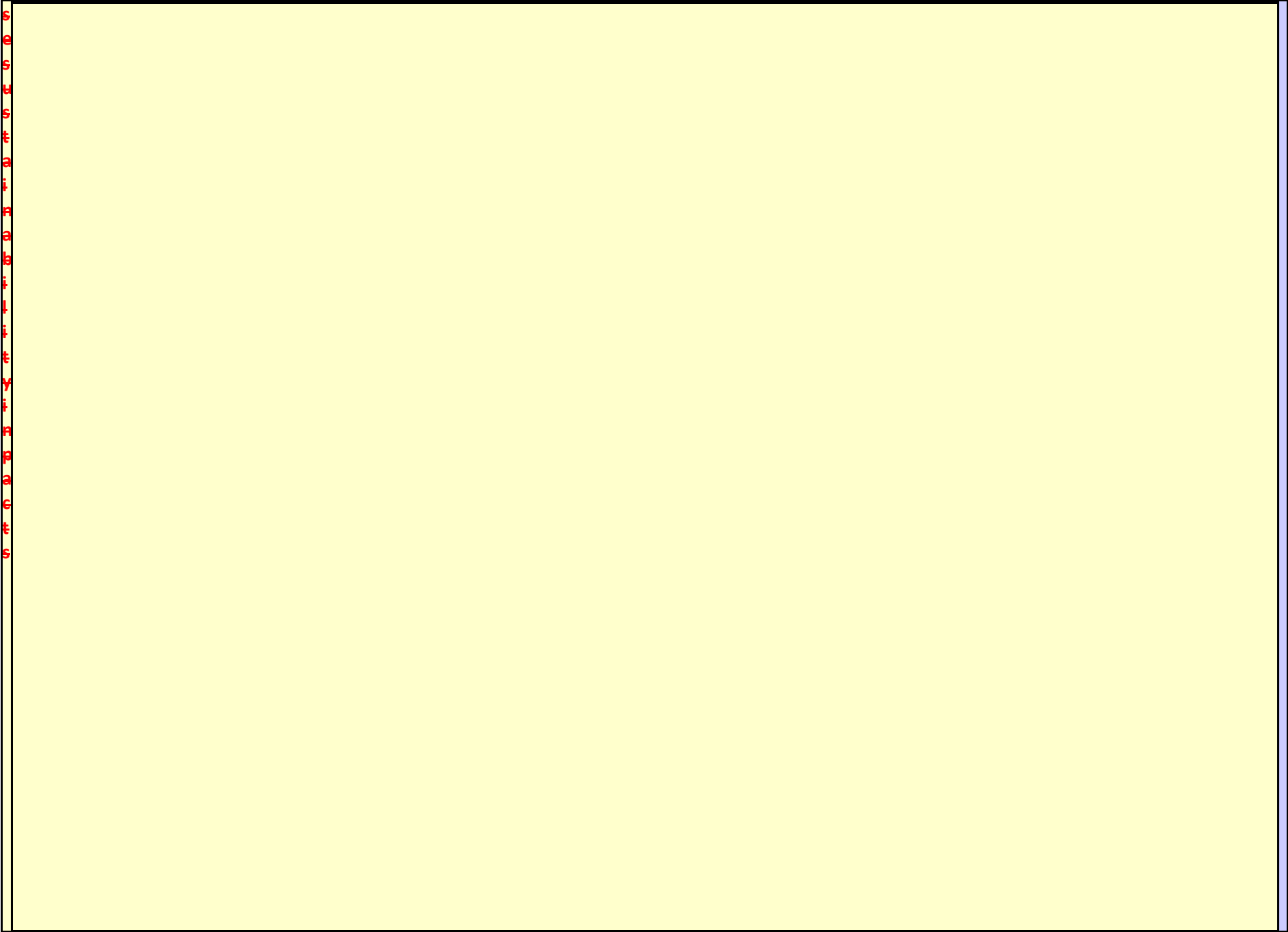
Summary

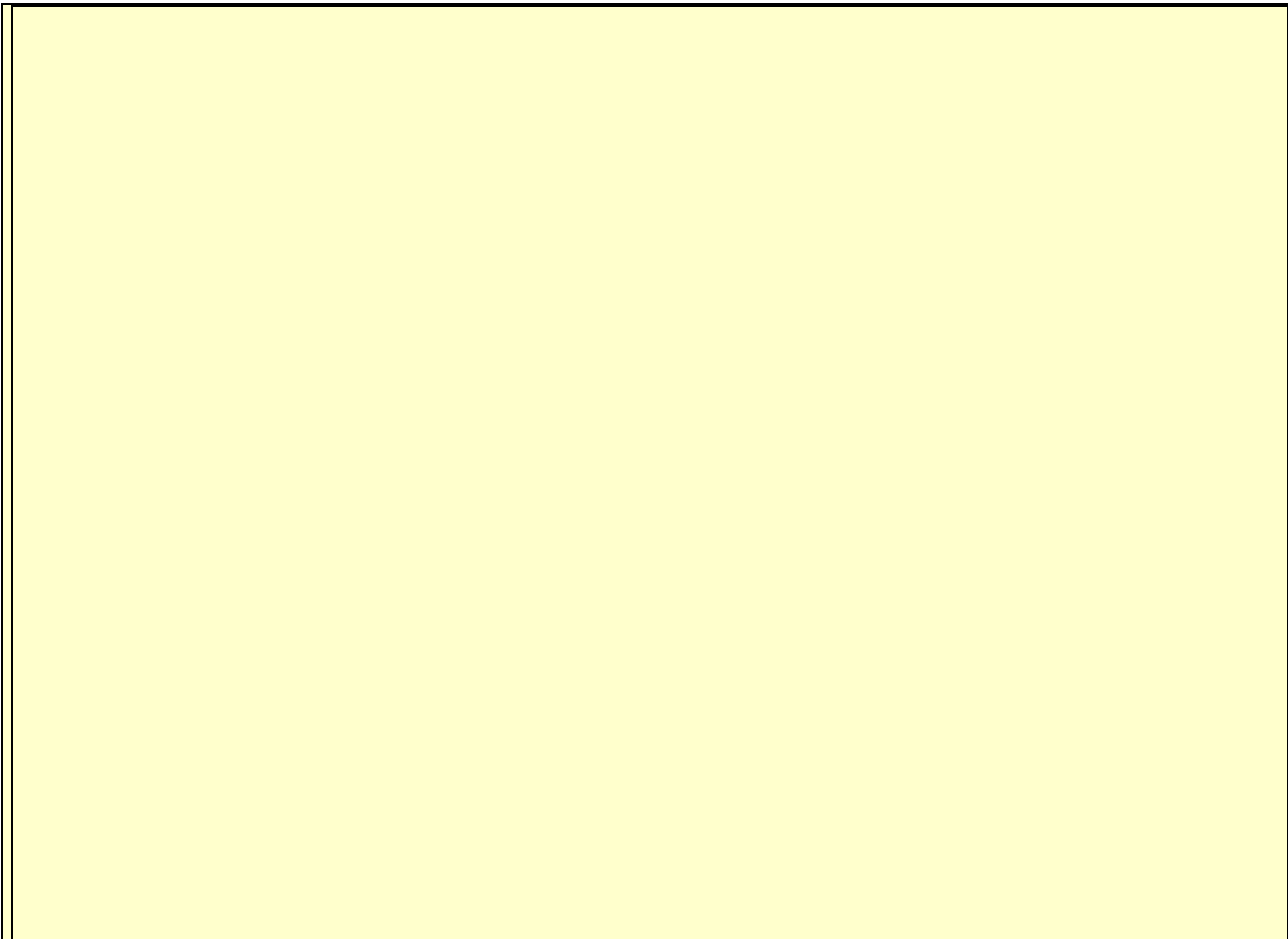
~~[Name and, where available, LEI] considers principal adverse impacts of its investment decisions on sustainability factors.-~~

~~This principal adverse impacts statement covers the period from 1 January to 31 December [year n].-~~

~~[Summary referred to in Article 6(1)(d) in one of the official languages of the home Member State of the financial market participant and, if different, in a language customary in the sphere of international finance]~~

Indicators applicable to investments in investee companies





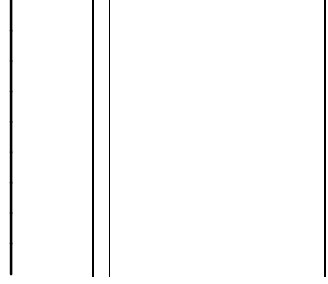
Adverse sustainability indicator	Metric (expressed in market value)	Impact [year n]	Impact [year n-1]	Explanation	Actions taken	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	Carbon emissions (broken down by scope 1, 2 and 3 carbon emissions – including agriculture, forestry and other land use (AFOLU) emissions – and in total)4. Solid fossil fuel sector exposureGHG emissions	Please see point (f) above Scope 1 GHG emissions				
		Scope 2 GHG emissions				
		From 1 January 2023, Scope 3 GHG emissions				
		Total GHG emissions				
	1. Carbon footprint	Please see point (g) above Carbon footprint				
2. Weighted average carbon GHG intensity of investee companies	Please see point (i) above GHG intensity of investee companies					
3. Exposure to companies active in the fossil fuel sector	Share of investments in solid companies active in the fossil fuel sectors sector					
Energy performance	5. Total energy consumption from non-renewable sources and share of non-renewable energy	5. Total energy consumption of investee companies from non-				

	consumption					
	<u>4. Share of non-renewable energy consumption and production</u>	renewable energy sources (in GWh), expressed as a weighted average ² -Share of non-renewable energy consumption <u>and non-renewable energy production</u> of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage				
	6. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source				
	7. Energy consumption intensity	Energy consumption of investee companies per million EUR of revenue of those companies (in GWh), expressed as a weighted average				
	5. 8. Energy consumption intensity per high impact climate sector	Energy consumption intensity in GWh per million EUR of revenue of investee companies, per NACE high impact climate sector (in GWh), expressed as a weighted average				
Biodiversity	9. Biodiversity and ecosystem preservation practices	Share of all investments in investee companies that do not assess, monitor or control the pressures corresponding to the				
		i n d i f e				

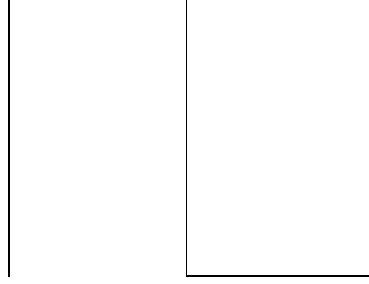
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Environmental Sustainability

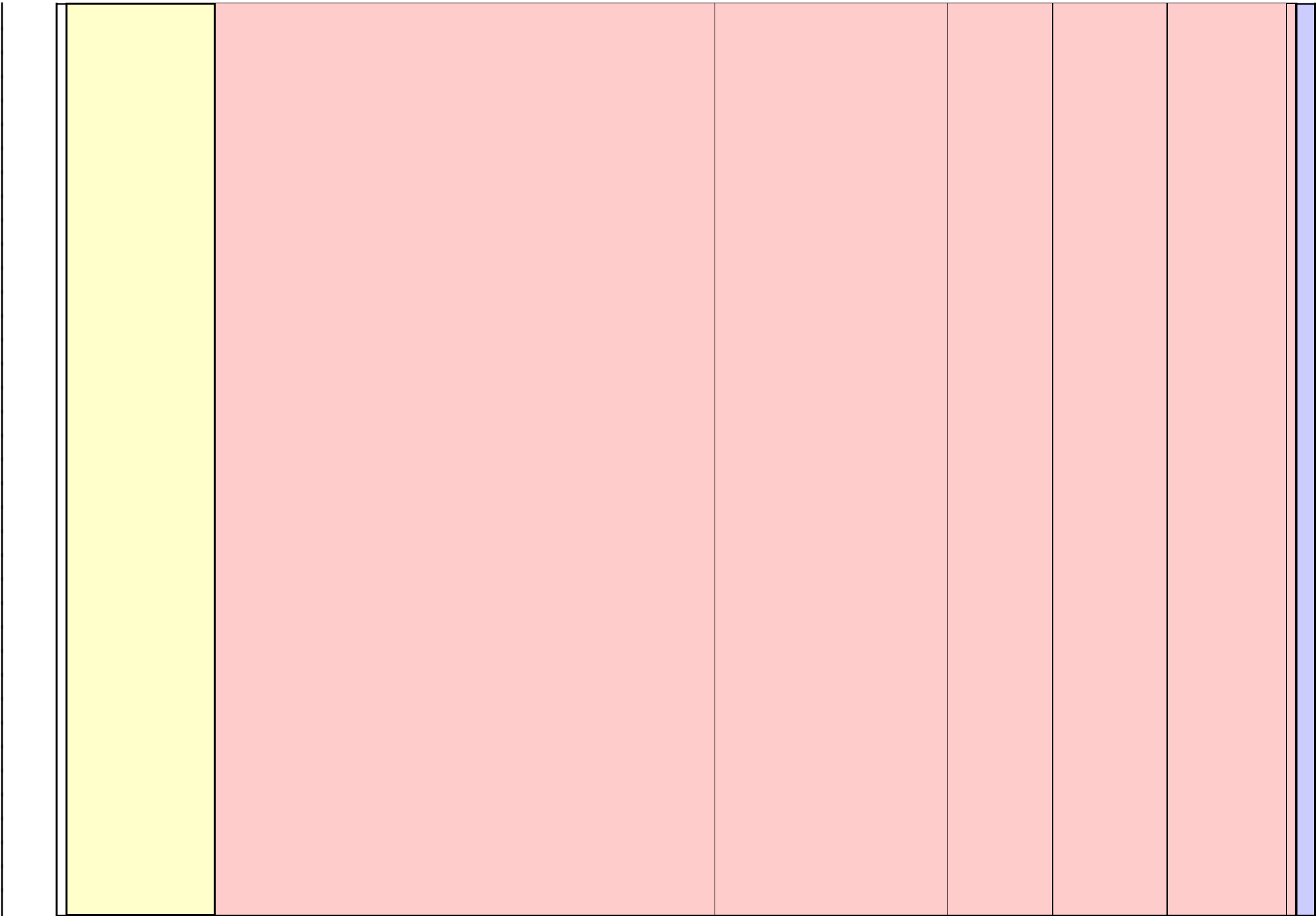
10. — Natural species and protected areas	1.Share of investments			
	invested in investee			
	companies whose			
	operations affect IUCN			
	Red List species and/or			
	national conservation list			
	species			
	2.Share of investments in			
	investee companies with			
	operational sites owned,			
leased, managed in, or				
adjacent to, protected				

			areas and areas of high biodiversity value outside protected areas				
			11. Deforestation	1. Share of investments in entities without a deforestation policy			
				2. Share of investee companies without a deforestation policy			
			12. Water emissions	Weight in tonnes of water emissions generated by investee companies per million EUR invested, expressed as a weighted average			
Water Biodiversity	6. 13. Exposure to areas of high water stress	1. 1. Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas of high water stress	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas of high water stress				
Water	7. 14. Untreated discharged waste Emissions to water	2. 2. Share of where activities of those investee companies with sites located in negatively affect those areas of high water stress	Total amount in cubic meters of untreated wasteTonnes of emissions to water dischargedgenerated by the investee companies per million EUR invested, expressed as a weighted average				
Waste	8. 15. Hazardous waste ratio		Weight in tonnesTonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average				

16. Non-recycled waste ratio

Weight in tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average

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SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Social and employee matters	9. 17. Implementation of fundamental ILO Conventions Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	1. — Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises					
employee matters		entities without due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8					
		2. — Share of investee companies without due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8					
	18. — Gender pay gap	Average gender pay gap of investee companies					
	19. — Excessive CEO pay ratio	Average ratio within investee companies of the					

		annual total compensation				
		for the highest				
		compensated individual to				
	10. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and	the median annual total Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD				
	OECD Guidelines for Multinational Enterprises	compensation for all Guidelines for Multinational Enterprises				
			employees (excluding the			
	11. Unadjusted gender pay gap	highest-compensated individual Average unadjusted gender pay gap of investee companies				
	12. 20. Board gender diversity	Average ratio of female to male board members in investee companies				

	<p>13. 21. 1. Insufficient whistleblower protection <u>Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)</u></p>	<p>Share of investments in entities without policies on the protection of whistleblowers 2. Share of investee companies without policies on the protection <u>involved in the manufacture or selling of whistleblowers controversial weapons</u></p>				
	<p>22. Investment in investee companies without workplace accident prevention policies</p>	<p>1. Share of investments in investee companies without a workplace accident prevention policy 2. Share of investee companies without a workplace accident prevention policy</p>				
<u>Indicators applicable to investments in sovereigns and supranationals</u>						
	<u>Adverse sustainability indicator</u>	<u>Metric</u>	<u>Impact [year n]</u>	<u>Impact [year n-1]</u>	<u>Explanation</u>	<u>Actions taken</u>
Environmental	<u>14. GHG</u>	<u>GHG intensity of investee countries</u>				

	intensity					
Social	15. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law				
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken	
Human rights Fossil fuels	16. 23. Human rights¹ policy Exposure to fossil fuels through real estate assets	Share of investments in entities without a human rights policy 2. Share real estate assets involved in the extraction, storage, transport or manufacture of investee companies without a human rights policy fossil fuels				
Energy efficiency	17. 24. Due diligence Exposure to energy-inefficient real estate assets	1. Share of investments in entities without a due diligence process to energy-inefficient real estate assets				
		identify, prevent, mitigate and address adverse human rights impacts 2. Share of investee companies without a due diligence process to identify, prevent, mitigate				

			and address adverse human rights impacts			
	25. Processes and measures for preventing trafficking in human beings	1. Share of investments in investee companies without policies against trafficking in human beings 2. Share of all investments exposed to entities without international framework agreements combating trafficking in human beings				
	26. Operations and suppliers at significant risk of incidents of child labour	1. Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour exposed to hazardous work in terms of geographic areas or type of operation				
			2. Share of investee companies exposed to operations and suppliers at significant risk for incidents of child labour exposed to hazardous work in terms of geographic areas or type			

			of operation				
27- Operations and suppliers at significant risk of incidents of forced or compulsory labour	1.Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation 2.Share of investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation						
<u>Other indicators for principal adverse impact</u>	28- Number and nature of identified cases of severe human rights issues and incidents	Number and nature of cases of severe human rights issues and incidents					
	29- Exposure to controversial weapons (land mines and cluster bombs)	connected to investee companies Any investment in entities involved in the					

		manufacture or selling of controversial weapons (land mines and cluster bombs)			
Anti-corruption and anti-bribery	30. Anti-corruption and anti-bribery policies	1. Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption 2. Share of investee companies without policies on anti-corruption and bribery consistent with the United Nations Convention against Corruption			
	31. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	1. Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and			

		anti-bribery 2. Share of investee companies with				
		insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery				
	32. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies				
{Insert description of adverse sustainability impact in Table 2}	{Insert descriptions of relevant adverse sustainability indicators in Table 2}	{Insert metrics from relevant adverse sustainability indicators in Table 2}				
{Insert description of <u>Information on the principal adverse sustainability impact/s referred to in Article 6(1)(b) in the format in</u>	{Insert descriptions of relevant adverse sustainability indicators in Table 3}	{Insert metrics from relevant adverse sustainability indicators in Table 3}				

Table 32]						
<p>[Insert description of any other <u>information on the principal</u> adverse sustainability impacts identified <u>impact/s referred to in Article 6(1)(c) in the format in Table 3]</u></p>	<p>[Insert descriptions of any other relevant adverse sustainability indicators identified]</p>	<p>[Insert metrics of any other adverse sustainability indicators identified]</p>				
<p><u>[Information on any other adverse sustainability impacts used to identify and assess additional principal adverse impacts on a sustainability factor referred to in Article 6(1)(d)]</u></p>						

--

<p>Description of policies to assess identify and prioritise principal adverse sustainability impacts</p> <p>[Information referred to in Article 87]</p>
<p>Description of actions to address principal adverse sustainability impacts</p> <p>[Information referred to in Article 9]</p>
<p>Engagement policies</p> <p>[Information referred to in Article 108]</p>
<p>AdherenceReferences to international standards</p> <p>[Information referred to in Article 119]</p>
<p>Historical comparison</p> <p>[Insert the informationInformation referred to in Article 7(26(4))]</p>

Table 2
Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric- expressed ssed
-------------------------------	---	---

		in- marke t (value)
Indicators applicable to investments in investee companies		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS		
Emissions	1. Emissions of inorganic pollutants	tonnes Tonnes of inorganic pollutants equivalent per million EUR invested, <u>expressed as a weighted average</u>
	2. Emissions of air pollutants	tonnes Tonnes of air pollutants equivalent per million EUR invested, <u>expressed as a weighted average</u>
	3. Emissions of ozone depletion substances	tonnes Tonnes of ozone depletion substances equivalent per million EUR invested, <u>expressed as a weighted average</u>
	4. Investing <u>Investments</u> in companies without carbon emission reduction initiatives	1. Share of investments in investee companies without carbon emission reduction initiatives 2. Share of investee companies without carbon emission reduction initiatives <u>aimed at aligning</u>

<p>Water, waste and material Energy performance</p>	<p>5. Water usage: Total amount of water consumed and reclaimed, broken down per sector where relevant Breakdown of energy consumption by type of non-renewable sources of energy</p>	<p><u>with the Paris Agreement</u> Average amount<u>Share</u> of water consumed and reclaimed<u>energy from non-renewable sources used</u> by the investee companies (in cubic meter) per million<u>broken down by each non-renewable energy source</u></p>
		<p>EUR of revenue of investee companies</p>
<p><u>Water, waste and material emissions</u></p>	<p>6. Water recycled<u>usage</u> and reused<u>recycling</u></p>	<p>1. <u>Average amount of water consumed and reclaimed by the investee companies (in cubic meters) per million EUR of revenue of investee companies</u> 2. Weighted average percentage of water recycled and reused by investee</p>

		companies
	7. Investing <u>Investments</u> in companies without water management initiatives <u>policies</u>	1. Share of investments in investee companies with no <u>without</u> water management initiatives 2.Share of investee companies with no water management initiatives <u>policies</u>
	8. <u>Exposure to areas of high water stress</u>	<u>Share of investments in investee companies with sites located in areas of high water stress without a water management policy</u>
	9. <u>Investments in companies producing chemicals</u>	<u>Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006</u>

<p><u>10.</u> 8. Land degradation, desertification, soil sealing</p>	<p>Land degradation, desertification and soil sealing as a percentage of land by the investee companies FMP invests in <u>Share of investments in investee companies the</u></p>
	<p><u>activities of which cause</u></p>
	<p><u>land degradation,</u></p>
	<p><u>desertification or soil</u></p>
	<p><u>sealing</u></p>
<p><u>11.</u> 9. Investing <u>Investments</u> in companies without sustainable land/forestry/agriculture practices 1.</p>	<p>Share of investments in- investee companies without sustainable land/forestry/agriculture practices policies 2. Share of investee- companies without sustainable land/forestry/agriculture practices policies</p>
	<p><u>investee companies</u></p>
	<p><u>without sustainable</u></p>
	<p><u>land/agriculture practices</u></p>
	<p><u>or policies</u></p>
<p><u>12.</u> 10. Investing <u>Investments</u> in companies without sustainable oceans/seas practices</p>	<p>1. — Share of investments in- investee companies without sustainable</p>
	<p><u>investee companies</u></p>
	<p><u>without sustainable</u></p>
	<p><u>oceans/seas practices or</u></p>

		policies
	13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average
	14. Natural species and protected areas	1.Share of investments in investee companies whose operations affect threatened species
		2.Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas
	15. Deforestation	Share of investments in

		companies without a policy to address deforestation
Green securities	16. Share of securities not certified as green under a future EU legal act setting up an EU Green Bond Standard	oceans/seas practices-policies 2-Share of investee-companies without sustainable oceans/seas-practices-policies securities in investments not certified as green
Green securities	11. Share of securities not certified as green Share of securities in investments not certified as green Indicators applicable to investments in sovereigns and supranationals	
Green securities	17. Share of bonds not certified as green under a future EU act setting up an EU Green Bond Standard	Share of bonds not certified as green
Indicators applicable to investments in real estate assets		
	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets
		Scope 2 GHG emissions generated by real estate assets
		From 1 January 2023, Scope 3 GHG emissions generated by real estate assets
		Total GHG emissions

		generated by real estate assets
Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter
Waste	20. Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract
Resource consumption	21. Raw materials consumption for new construction and major renovations	Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations
Biodiversity	22. Land artificialisation	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

<u>Adverse sustainability impact</u>	<u>Adverse sustainability impact (qualitative or quantitative)</u>	<u>Metric</u>
<u>Indicators applicable to investments in investee companies</u>		
<u>Social and employee matters</u>	1. <u>Investments in companies without workplace accident prevention policies</u>	<u>Share of investments in investee companies without a workplace accident prevention policy</u>
	2. <u>Rate of accidents</u>	<u>Rate of accidents in investee companies expressed as a weighted average</u>
	3. <u>Number of days lost to injuries, accidents, fatalities or illness</u>	<u>Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average</u>
	4. <u>Lack of a supplier code of conduct</u>	<u>Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)</u>
	5. <u>Lack of grievance/complaints handling mechanism related to employee matters</u>	<u>Share of investments in investee companies</u>

2.		without any grievance/complaints handling mechanism related to employee matters
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers
	7. Incidents of discrimination	1. Number of incidents of discrimination reported in investee companies expressed as a weighted average
		3. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average
	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation

		for the highest
		compensated individual to
		the median annual total
		compensation for all
		employees (excluding the
		highest-compensated
		individual)
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy
	10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts
	11. Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies
		without policies against
		trafficking in human beings
	12. Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies
		exposed to operations and suppliers at significant risk
		of incidents of child labour
		exposed to hazardous
		work in terms of
		geographic areas or type of

		operation
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms of geographic areas and/or the type of operation
		Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption
	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with

		identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies
Indicators applicable to investments in sovereigns and supranationals		
Social	18. Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column
	19. Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column
Human rights	20. Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the

		explanation column
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column
	22. Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes
	23. Average political stability score	Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative indicator explained in the explanation column
	24. Average rule of law score	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

- 1. Number/rate of accidents, injuries, fatalities, frequency
- 2. Number of days lost for injuries, accidents, fatalities, illness
- 3. Supplier code of conduct
- 4. Grievance/complaints handling mechanism
- 5. Incidents of discrimination
- 6. Lack of separation of CEO and Chair functions on the boards of investee companies
- 7. Share of securities not certified as social

ANNEX II

Template pre-contractual disclosure for financial products referred to in Article 8(1) of Regulation

To be developed

Product name/legal identifier: [complete]

Environmental and/or social characteristics

This product: Promotes environmental or social characteristics, but does not have as its objective a sustainable investment

It does not invest in sustainable investments [tick when relevant]

It invests partially in sustainable investments [tick when relevant]

Has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that

Has a reference benchmark been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product? [tick relevant box]

Ye

1



What environmental and/or social characteristics are promoted by this financial product?

What sustainability indicators are used to measure the attainment of the environmental or social characteristics

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

| *product?*

|

2



What investment strategy does this financial product follow?

Investment strategies guide investment decisions based on factors such as investment objectives and risk tolerance.

- What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?
- How is that strategy implemented in the investment process on a continuous basis?
- What is the committed minimum rate to reduce the scope of the investments considered prior to the application of the strategy [question where there is a commitment to reduce the scope of investments by a minimum rate]?
- What is the policy to assess good governance practices of the investee companies?
- Where can I find further details on the investment strategy?

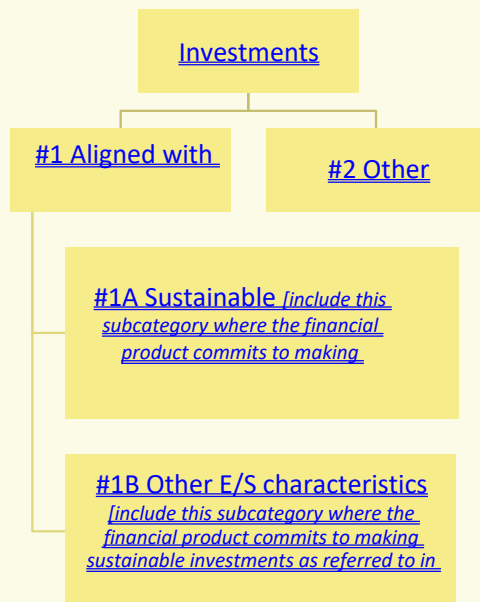
Good governance practices include sound management structures, employee relations, remuneration of staff.

3



What is the asset allocation planned for this financial product?

● How is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

[include the note below where the financial product commits to making sustainable investments as referred to in Article 8.]

The category #1 Aligned with E/S characteristics covers:

- The Subcategory #1A Sustainable covers investments that qualify as sustainable investments.

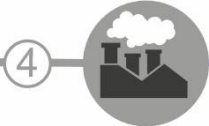
How will sustainable investments contribute to a sustainable investment objective and not significantly harm and
[include this question where the financial product commits to making sustainable investments as referred to in Article 16]

How are indicators for adverse impacts on sustainability factors

Principal adverse impacts are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Are sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Human Rights?

Details:



4

Does this financial product take into account principal adverse impacts on sustainability factors?

Yes No



5

Can I find I find more product specific information online?

More product-specific information can be found on the website: [insert hyperlink to the website]



6

Is a specific index designated as a reference benchmark to determine whether this financial product
social characteristics that it promotes? [include this section where an index has been designated as a reference
environmental or social characteristics promoted by the financial product]

How does the designated index differ from a relevant broad market index?

How is the reference benchmark continuously aligned with each of the environmental or social characteristics pro
with the investment strategy?

[include note where an index
has been designated as a
reference benchmark]

Reference benchmarks are
indexes to measure
whether financial products
attain the environmental or
social characteristics that

To be developed

Product name/legal identifier: [complete]

Sustainable investment objective

This product: Promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

It does not invest in sustainable

investments. It invests partially in

sustainable investments.

Has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that

Has a reference benchmark been designated for the purpose of attaining the sustainable investment objective of the financial product? [tick relevant box]

Ye

S

1



What is the sustainable investment objective of this financial product?

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

: this

2



What investment strategy does this financial product follow?

● What are the binding elements of the investment strategy used to select the objective?

Investment strategies guide investment decisions based on factors such as investment objectives

● How is that strategy implemented in the investment process on a continuous basis?

● What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and

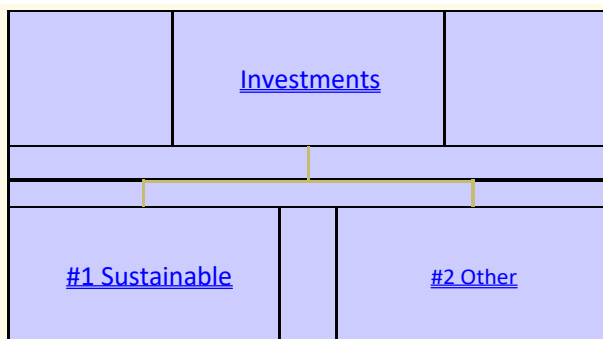
● Where can I find further details on the investment strategy?

3



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.



#1 Sustainable covers investments that qualify as sustainable investments.

#2 Other includes investments which do not qualify as sustainable investments.

● What investments are included under “#2 Other”, what is their purpose and are there minimum environmental or social safeguards?

● How does the proportion and use of such investments not affect the delivery of the sustainable investment objective?

● How does the use of derivatives attain the sustainable investment objective? [include where derivatives are used to attain objective]

● How will sustainable investments contribute to a sustainable investment objective and not significantly harm any environmental or social objective?

How are indicators for adverse impacts on sustainability factors taken into account?

Are sustainable investments aligned with the OECD Guidelines for Multinational Enterprises on Business and Human Rights?

Details:

Principal adverse impacts are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

4



Does this product take into account principal adverse impacts on sustainability factors?

Yes No

5



Can I find more product specific information online?

More product-specific information can be found on the website: [insert hyperlink to the website]

+



Is a specific index designated as a reference sustainable benchmark to meet the sustainable investment objective of the financial product referred to in Article 9(1) of Regulation (EU) 2019/2088?

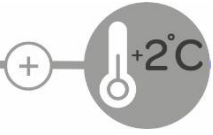
● How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

[include note for a financial product referred to in Article 9(1) of Regulation (EU) 2019/2088]

Reference sustainable benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they

● [How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?](#)

● [Why and how does the designated index differ from a relevant broad market index?](#)



[Does the financial product have the objective of a reduction in carbon emissions?](#)
[\[include section for a financial product referred to in Article 9\(3\) of Regulation \(EU\) 2019/2088\]](#)

ANNEX IV

Template periodic ~~report~~[disclosure](#) for financial products referred to in Article 8(1) of Regulation (

[Product name/legal identifier: \[complete\]](#) [Reporting period: \[complete\]](#)

[Environmental and/or social characteristics](#)

[This product:](#) [Promotes environmental or social characteristics, but does not have as its objective a sustainable investment](#)

[It does not invest in sustainable investments \[tick when relevant\]](#)

[Has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.](#)

[Has a reference benchmark been designated for for the purpose of attaining the environmental or social characteristics promoted by the financial product? \[tick relevant box\]](#)

[Yes](#)

1



To *be developed* what extent were the environmental and/or social characteristics promoted by this

● How did the sustainability indicators perform?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● ...and compared to previous periods?

<u>REFERENCE PERIOD</u>	<u>[INDICATOR1]</u>	<u>[INDICATOR 2...]</u>

2



What were the top investments of this financial product?

Largest investments Sector % Assets Country

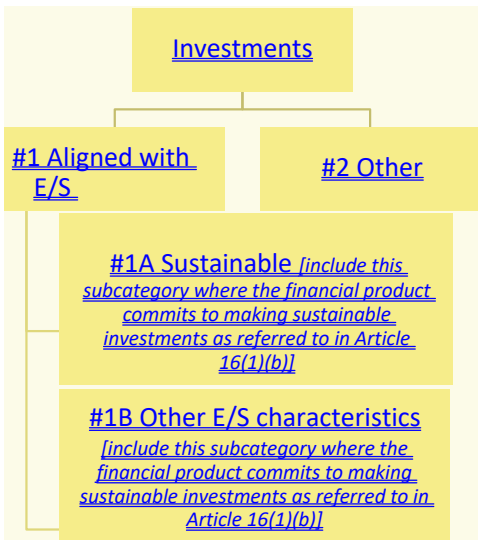
<u>Largest investments</u>	<u>Sector</u>	<u>% Assets</u>	<u>Country</u>



What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics of the financial product.

#2 Other includes the remaining investments of the financial product which do not align with the environmental or social characteristics, nor are they qualified as sustainable investments.

[include the text below where the financial product commits to making sustainable investments as referred to in Article 16(1)(b)]

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers investments that qualify as sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with environmental or social characteristics that do not qualify as sustainable investments.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

How did sustainable investments not significantly harm any sustainable investment objectives?
[include question where the product commits to making sustainable investments]

How were indicators for adverse impacts taken into account?

Were sustainable investments aligned with the OECD Guidelines for Principles on Business and Human Rights?

Principal adverse impacts are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery.

Details:

- *In which economic sectors were the investments made?*

4



What actions have been taken to meet the environmental and/or social characteristics during the reporting period?

5



How did this financial product perform compared to the designated reference benchmark? [include a note where an index has been designated as a reference benchmark for the purpose of the attainment of the environmental or social characteristics promoted by the financial product]

- *How does the reference benchmark differ from a broad market index?*
- *How did this financial product perform with regard to the sustainability characteristics of the reference benchmark with the environmental or social characteristics of the reference benchmark?*
- *How did this financial product perform compared with the reference benchmark?*
- *How did this financial product perform compared with the broad market index?*

[include note where an index has been designated as a reference benchmark for the purpose of the attainment of the environmental or social characteristics promoted by the financial product]

Reference benchmarks are indexes used to measure whether the financial product attains the environmental or social characteristics that they promote.

Product name/legal identifier: [complete] Reporting period: [complete]

Sustainable investment objective

This product: ● ○ Promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

It does not invest in sustainable

investments It invests partially in

● ● sustainable investments

Has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that

Has a reference benchmark been designated for the purpose of attaining the sustainable investment objective of the financial product? [tick relevant box]

Ye

s

1



To ~~be developed~~ what extent was the sustainable investment objective of this financial product met?

● How did the sustainability indicators perform?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

...and compared to previous periods

REFERENCE PERIOD [INDICATOR 1] [INDICATOR 2 ETC]

2



What were the top investments of this financial product?

Largest investments Sector % Assets Country

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period, which is: [complete]

3



What was the proportion of sustainability-related investments?

Investments

#1 Sustainable

#2 Other

#1 Sustainable covers investments that qualify as sustainable investments.

#2 Other includes investment as sustainable investments.

Asset allocation describes the share of investments in specific assets.

● What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

● How did sustainable investments contribute to a sustainable objective and not significantly harm any sustainable

How were indicators for adverse impacts taken into account?

Were sustainable investments aligned with the OECD Guidelines for Principles on Business and Human Rights?

Details:

Principal adverse impacts are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● In which economic sectors were the investments made?

4



What actions were taken to attain the sustainable investment objective during the reference period?

+



How did this financial product perform compared to the reference sustainable benchmark? [include section reference benchmark for the purpose of the attainment of the sustainable investment objective of the financial product]

● How does the reference benchmark differ from a broad market index?

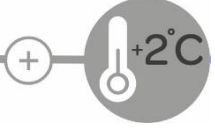
● How did this financial product perform with regard to the sustainability reference benchmark with the sustainable investment objective?

● How did this financial product perform compared with the reference benchmark?

[include note where an index has been designated as a reference benchmark for the purpose of the attainment of the sustainable investment objective of the financial product]

Reference sustainable benchmarks are indexes used to measure whether the financial product attains the

● [How did this financial product perform compared with the broad market index?](#)



[How was the objective of a reduction in carbon emissions aligned with the Paris Agreement? \[include Article 9\(3\) of Regulation \(EU\) 2019/2088\]](#)

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Inserted cell	
Deleted cell	
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Split/Merged cell	
Padding cell	

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