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► **B** REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 27 November 2019
on sustainability-related disclosures in the financial services sector
(Text with EEA relevance)
(OJ L 317, 9.12.2019, p. 1)

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**REGULATION (EU) 2019/2088 OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL**

of 27 November 2019

on sustainability-related disclosures in the financial services sector

(Text with EEA relevance)

Article 1

Subject matter

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

Article 2

Definitions

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

- (1) ‘financial market participant’ means:
- (a) an insurance undertaking which makes available an insurance-based investment product (IBIP);
 - (b) an investment firm which provides portfolio management;
 - (c) an institution for occupational retirement provision (IORP);
 - (d) a manufacturer of a pension product;
 - (e) an alternative investment fund manager (AIFM);
 - (f) a pan-European personal pension product (PEPP) provider;
 - (g) a manager of a qualifying venture capital fund registered in accordance with Article 14 of Regulation (EU) No 345/2013;
 - (h) a manager of a qualifying social entrepreneurship fund registered in accordance with Article 15 of Regulation (EU) No 346/2013;
 - (i) a management company of an undertaking for collective investment in transferable securities (UCITS management company); or
 - (j) a credit institution which provides portfolio management;
- (2) ‘insurance undertaking’ means an insurance undertaking authorised in accordance with Article 18 of Directive 2009/138/EC;

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- (3) ‘insurance-based investment product’ or ‘IBIP’ means:
- (a) an insurance-based investment product as defined in point (2) of Article 4 of Regulation (EU) No 1286/2014 of the European Parliament and of the Council ⁽¹⁾; or
 - (b) an insurance product which is made available to a professional investor and which offers a maturity or surrender value that is wholly or partially exposed, directly or indirectly, to market fluctuations;
- (4) ‘alternative investment fund manager’ or ‘AIFM’ means an AIFM as defined in point (b) of Article 4(1) of Directive 2011/61/EU;
- (5) ‘investment firm’ means an investment firm as defined in point (1) of Article 4(1) of Directive 2014/65/EU;
- (6) ‘portfolio management’ means portfolio management as defined in point (8) of Article 4(1) of Directive 2014/65/EU;
- (7) ‘institution for occupational retirement provision’ or ‘IORP’ means an institution for occupational retirement provision authorised or registered in accordance with Article 9 of Directive (EU) 2016/2341 except an institution in respect of which a Member State has chosen to apply Article 5 of that Directive or an institution that operates pension schemes which together have less than 15 members in total;
- (8) ‘pension product’ means:
- (a) a pension product as referred to in point (e) of Article 2(2) of Regulation (EU) No 1286/2014; or
 - (b) an individual pension product as referred to in point (g) of Article 2(2) of Regulation (EU) No 1286/2014;
- (9) ‘pan-European Personal Pension Product’ or ‘PEPP’ means a product as referred to in point (2) of Article 2 of Regulation (EU) 2019/1238;
- (10) ‘UCITS management company’ means:
- (a) a management company as defined in point (b) of Article 2(1) of Directive 2009/65/EC; or
 - (b) an investment company authorised in accordance with Directive 2009/65/EC which has not designated a management company authorised under that Directive for its management;
- (11) ‘financial adviser’ means:
- (a) an insurance intermediary which provides insurance advice with regard to IBIPs;
 - (b) an insurance undertaking which provides insurance advice with regard to IBIPs;
 - (c) a credit institution which provides investment advice;

⁽¹⁾ Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) (OJ L 352, 9.12.2014, p. 1).

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- (d) an investment firm which provides investment advice;
 - (e) an AIFM which provides investment advice in accordance with point (b)(i) of Article 6(4) of Directive 2011/61/EU; or
 - (f) a UCITS management company which provides investment advice in accordance with point (b)(i) of Article 6(3) of Directive 2009/65/EC;
- (12) ‘financial product’ means:
- (a) a portfolio managed in accordance with point (6) of this Article;
 - (b) an alternative investment fund (AIF);
 - (c) an IBIP;
 - (d) a pension product;
 - (e) a pension scheme;
 - (f) a UCITS; or
 - (g) a PEPP;
- (13) ‘alternative investment funds’ or ‘AIFs’ means AIFs as defined in point (a) of Article 4(1) of Directive 2011/61/EU;
- (14) ‘pension scheme’ means a pension scheme as defined in point (2) of Article 6 of Directive (EU) 2016/2341;
- (15) ‘undertaking for collective investment in transferable securities’ or ‘UCITS’ means an undertaking authorised in accordance with Article 5 of Directive 2009/65/EC;
- (16) ‘investment advice’ means investment advice as defined in point (4) of Article 4(1) of Directive 2014/65/EU;
- (17) ‘sustainable investment’ means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;
- (18) ‘professional investor’ means a client who meets the criteria laid down in Annex II to Directive 2014/65/EU;
- (19) ‘retail investor’ means an investor who is not a professional investor;
- (20) ‘insurance intermediary’ means an insurance intermediary as defined in point (3) of Article 2(1) of Directive (EU) 2016/97;

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- (21) ‘insurance advice’ means advice as defined in point (15) of Article 2(1) of Directive (EU) 2016/97;
- (22) ‘sustainability risk’ means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;
- (23) ‘European long-term investment fund’ or ‘ELTIF’ means a fund authorised in accordance with Article 6 of Regulation (EU) 2015/760;
- (24) ‘sustainability factors’ mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

▼M1*Article 2a***Principle of do no significant harm**

1. The European Supervisory Authorities established by Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 of the European Parliament and of the Council (collectively, the ‘ESAs’) shall, through the Joint Committee, develop draft regulatory technical standards to specify the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’ referred to in point (17) of Article 2 of this Regulation consistent with the content, methodologies, and presentation in respect of the sustainability indicators in relation to the adverse impacts referred to in paragraphs 6 and 7 of Article 4 of this Regulation.
2. The ESAs shall submit the draft regulatory technical standards referred to in paragraph 1 to the Commission by 30 December 2020.
3. Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in paragraph 1 of this Article in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.

▼B*Article 3***Transparency of sustainability risk policies**

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

*Article 4***Transparency of adverse sustainability impacts at entity level**

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

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

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

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

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

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

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

- (a) information as to whether, taking due account of their size, the nature and scale of their activities and the types of financial products they advise on, they consider in their investment advice or insurance advice the principal adverse impacts on sustainability factors; or

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- (b) information as to why they do not to consider adverse impacts of investment decisions on sustainability factors in their investment advice or insurance advice, and, where relevant, including information as to whether and when they intend to consider such adverse impacts.

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

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

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

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

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

Article 5

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

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

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

Article 6

Transparency of the integration of sustainability risks

1. Financial market participants shall include descriptions of the following in pre-contractual disclosures:

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- (a) the manner in which sustainability risks are integrated into their investment decisions; and
- (b) the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products they make available.

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

2. Financial advisers shall include descriptions of the following in pre-contractual disclosures:

- (a) the manner in which sustainability risks are integrated into their investment or insurance advice; and
- (b) the result of the assessment of the likely impacts of sustainability risks on the returns of the financial products they advise on.

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

3. The information referred to in paragraphs 1 and 2 of this Article shall be disclosed in the following manner:

- (a) for AIFMs, in the disclosures to investors referred to in Article 23(1) of Directive 2011/61/EU;
- (b) for insurance undertakings, in the provision of information referred to in Article 185(2) of Directive 2009/138/EC or, where relevant, in accordance with Article 29(1) of Directive (EU) 2016/97;
- (c) for IORPs, in the provision of information referred to in Article 41 of Directive (EU) 2016/2341;
- (d) for managers of qualifying venture capital funds, in the provision of information referred to in Article 13(1) of Regulation (EU) No 345/2013;
- (e) for managers of qualifying social entrepreneurship funds, in the provision of information referred to in Article 14(1) of Regulation (EU) No 346/2013;
- (f) for manufacturers of pension products, in writing in good time before a retail investor is bound by a contract relating to a pension product;
- (g) for UCITS management companies, in the prospectus referred to in Article 69 of Directive 2009/65/EC;
- (h) for investment firms which provide portfolio management or provide investment advice, in accordance with Article 24(4) of Directive 2014/65/EU;
- (i) for credit institutions which provide portfolio management or provide investment advice, in accordance with Article 24(4) of Directive 2014/65/EU;

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- (j) for insurance intermediaries and insurance undertakings which provide insurance advice with regard to IBIPs and for insurance intermediaries which provide insurance advice with regard to pension products exposed to market fluctuations, in accordance with Article 29(1) of Directive (EU) 2016/97;
- (k) for AIFMs of ELTIFs, in the prospectus referred to in Article 23 of Regulation (EU) 2015/760;
- (l) for PEPP providers, in the PEPP key information document referred to in Article 26 of Regulation (EU) 2019/1238.

*Article 7***Transparency of adverse sustainability impacts at financial product level**

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

- (a) a clear and reasoned explanation of whether, and, if so, how a financial product considers principal adverse impacts on sustainability factors;
- (b) a statement that information on principal adverse impacts on sustainability factors is available in the information to be disclosed pursuant to Article 11(2).

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

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

*Article 8***Transparency of the promotion of environmental or social characteristics in pre-contractual disclosures**

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

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

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

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

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2a. Where financial market participants make available a financial product as referred to in Article 6 of Regulation (EU) 2020/852 of the European Parliament and of the Council ⁽¹⁾, they shall include in the information to be disclosed pursuant to Article 6(1) and (3) of this Regulation the information required under Article 6 of Regulation (EU) 2020/852.

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

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

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

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

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

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

⁽¹⁾ 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 (OJ L 198, 22.6.2020, p. 13).

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

- (a) in respect of the environmental objectives referred to in points (a) and (b) of Article 9 of Regulation (EU) 2020/852, by 1 June 2021; and
- (b) in respect of the environmental objectives referred to in points (c) to (f) of Article 9 of Regulation (EU) 2020/852, by 1 June 2022.

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

▼B*Article 9***Transparency of sustainable investments in pre-contractual disclosures**

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

- (a) information on how the designated index is aligned with that objective;
- (b) an explanation as to why and how the designated index aligned with that objective differs from a broad market index.

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

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

By way of derogation from paragraph 2 of this Article, where no EU Climate Transition Benchmark or EU Paris-aligned Benchmark in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council⁽¹⁾ is available, the information referred to in Article 6 shall include a detailed explanation of how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the long-term global warming objectives of the Paris Agreement.

⁽¹⁾ 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 (OJ L 171, 29.6.2016, p. 1).

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

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

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

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

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

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

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

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

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

- (a) in respect of the environmental objectives referred to in points (a) and (b) of Article 9 of Regulation (EU) 2020/852, by 1 June 2021; and
- (b) in respect of the environmental objectives referred to in points (c) to (f) of Article 9 of Regulation (EU) 2020/852, by 1 June 2022.

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

▼B*Article 10***Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites**

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

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

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

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

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

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

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

▼B*Article 11***Transparency of the promotion of environmental or social characteristics and of sustainable investments in periodic reports**

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

- (a) for a financial product as referred to in Article 8(1), the extent to which environmental or social characteristics are met;
- (b) for a financial product as referred to in Article 9(1), (2) or (3):
 - (i) the overall sustainability-related impact of the financial product by means of relevant sustainability indicators; or
 - (ii) where an index has been designated as a reference benchmark, a comparison between the overall sustainability-related impact of the financial product with the impacts of the designated index and of a broad market index through sustainability indicators;

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- (c) for a financial product subject to Article 5 of Regulation (EU) 2020/852, the information required under that Article;
- (d) for a financial product subject to Article 6 of Regulation (EU) 2020/852, the information required under that Article.

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

- (a) for AIFMs, in the annual report referred to in Article 22 of Directive 2011/61/EU;
- (b) for insurance undertakings, annually in writing in accordance with Article 185(6) of Directive 2009/138/EC;
- (c) for IORPs, in the annual report referred to in Article 29 of Directive (EU) 2016/2341;
- (d) for managers of qualifying venture capital funds, in the annual report referred to in Article 12 of Regulation (EU) No 345/2013;
- (e) for managers of qualifying social entrepreneurship funds, in the annual report referred to in Article 13 of Regulation (EU) No 346/2013;
- (f) for manufacturers of pension products, in writing in the annual report or in a report in accordance with national law;
- (g) for UCITS management companies, in the annual report referred to in Article 69 of Directive 2009/65/EC;

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- (h) for investment firms which provide portfolio management, in a periodic report as referred to in Article 25(6) of Directive 2014/65/EU;
- (i) for credit institutions which provide portfolio management, in a periodic report as referred to in Article 25(6) of Directive 2014/65/EU;
- (j) for PEPP providers, in the PEPP Benefit Statement referred to in Article 36 of Regulation (EU) 2019/1238.

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

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

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

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

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

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

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

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

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- (a) in respect of the environmental objectives referred to in points (a) and (b) of Article 9 of Regulation (EU) 2020/852, by 1 June 2021; and
- (b) in respect of the environmental objectives referred to in points (c) to (f) of Article 9 of Regulation (EU) 2020/852, by 1 June 2022.

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

▼B*Article 12***Review of disclosures**

1. Financial market participants shall ensure that any information published in accordance with Article 3, 5 or 10 is kept up to date. Where a financial market participant amends such information, a clear explanation of such amendment shall be published on the same website.
2. Paragraph 1 shall apply *mutatis mutandis* to financial advisers with regard to any information published in accordance with Articles 3 and 5.

*Article 13***Marketing communications**

1. Without prejudice to stricter sectoral legislation, in particular Directives 2009/65/EC, 2014/65/EU and (EU) 2016/97 and Regulation (EU) No 1286/2014, financial market participants and financial advisers shall ensure that their marketing communications do not contradict the information disclosed pursuant to this Regulation.
2. The ESAs may develop, through the Joint Committee, draft implementing technical standards to determine the standard presentation of information on the promotion of environmental or social characteristics and sustainable investments.

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

*Article 14***Competent authorities**

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

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2. For the purposes of this Regulation, the competent authorities shall cooperate with each other and shall provide each other, without undue delay, with such information as is relevant for the purposes of carrying out their duties under this Regulation.

*Article 15***Transparency by IORPs and insurance intermediaries**

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

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

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

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

2. Member States shall notify the Commission and the ESAs of any decision taken pursuant to paragraph 1.

*Article 17***Exemptions**

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

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

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

▼B*Article 18***Report**

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

▼M2*Article 18a***Accessibility of information on the European single access point**

1. From 10 January 2028, when making public any information referred to in Article 3(1) and (2), Article 4(1), (3), (4) and (5), Articles 5(1) and 10(1) of this Regulation, financial market participants and financial advisers shall submit that information at the same time to the relevant collection body referred to in paragraph 3 of this Article for the purpose of making it accessible on the European single access point (ESAP) established under Regulation (EU) 2023/2859 of the European Parliament and of the Council ⁽¹⁾.

That information shall comply with the following requirements:

- (a) be submitted in a data extractable format as defined in Article 2, point (3), of Regulation (EU) 2023/2859 or, where required by Union law, in a machine-readable format, as defined in Article 2, point (4), of that Regulation;
- (b) be accompanied by the following metadata:
 - (i) all the names of the financial market participant or financial adviser to which the information relates;
 - (ii) for legal persons, the legal entity identifier of the financial market participant or financial adviser, as specified pursuant to Article 7(4), point (b), of Regulation (EU) 2023/2859;
 - (iii) for legal persons, the size of the financial market participant or financial adviser by category, as specified pursuant to Article 7(4), point (d), of that Regulation;
 - (iv) the type of information, as classified pursuant to Article 7(4), point (c), of that Regulation;

⁽¹⁾ Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023 establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability (OJ L, 2023/2859, 20.12.2023, ELI: <http://data.europa.eu/eli/reg/2023/2859/oj>).

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(v) an indication of whether the information contains personal data.

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

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

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

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

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

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

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

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

▼B*Article 19***Evaluation**

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

- (a) whether the reference to the average number of employees in Article 4(3) and (4) should be maintained, replaced or accompanied by other criteria, and shall consider the benefits and proportionality of the related administrative burden;
- (b) whether the functioning of this Regulation is inhibited by the lack of data or their suboptimal quality, including indicators on adverse impacts on sustainability factors by investee companies.

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

▼B*Article 20***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.

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

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