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Contents

II *Non-legislative acts*

REGULATIONS

- ★ **Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports ⁽¹⁾** 1
- ★ **Commission Implementing Regulation (EU) 2022/1289 of 18 July 2022 entering a name in the register of protected designations of origin and protected geographical indications ‘Hrušovský lepník’ (PGI)** 73
- ★ **Commission Regulation (EU) 2022/1290 of 22 July 2022 amending Annexes II, III and IV to Regulation (EC) No 396/2005 of the European Parliament and of the Council as regards maximum residue levels for ametoctradin, chlormequat, dodine, nicotine, profenofos and *Spodoptera exigua multicapsid nucleopolyhedrovirus* (SeMNPV) isolate BV-0004 in or on certain products ⁽¹⁾** 74
- ★ **Commission Implementing Regulation (EU) 2022/1291 of 22 July 2022 approving a non-minor amendment to the product specification for a name entered in the register of traditional specialities guaranteed ‘Mozzarella’ (TSG)** 115
- ★ **Commission Implementing Regulation (EU) 2022/1292 of 22 July 2022 amending Implementing Regulation (EU) 2021/1976 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of mono ethylene glycol originating in the United States of America and the Kingdom of Saudi Arabia** 119

⁽¹⁾ Text with EEA relevance.

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

DECISIONS

- ★ **Council Decision (EU) 2022/1293 of 17 June 2022 on the position to be taken on behalf of the European Union within the 12th Ministerial Conference of the World Trade Organization** 121
- ★ **Political and Security Committee Decision (CFSP) 2022/1294 of 19 July 2022 on the appointment of the Head of Mission of the European Union Advisory Mission in support of Security Sector Reform in Iraq (EUAM Iraq) (EUAM Iraq/1/2022)** 123
- ★ **Political and Security Committee Decision (CFSP) 2022/1295 of 19 July 2022 on the reconfirmation of the authorisation of the European Union military operation in the Mediterranean (EUNAVFOR MED IRINI) (EUNAVFOR MED IRINI/3/2022)** 125
- ★ **Commission Implementing Decision (EU) 2022/1296 of 1 July 2022 on the applicability of Article 34 of Directive 2014/25/EU of the European Parliament and of the Council to the award of contracts to pursue the extraction of crude oil and natural gas in Romania (notified under document C(2022) 4485) ⁽¹⁾** 126
- ★ **Commission Implementing Decision (EU) 2022/1297 of 22 July 2022 on the adequacy of the competent authorities of the United States of America pursuant to Directive 2006/43/EC of the European Parliament and of the Council (notified under document C(2022) 5113) ⁽¹⁾** 134
- ★ **Commission Implementing Decision (EU) 2022/1298 of 22 July 2022 on the equivalence of the systems of public oversight, quality assurance, investigation and penalties for auditors and audit entities of the competent authorities of the United States of America pursuant to Directive 2006/43/EC of the European Parliament and the Council (notified under document C(2022) 5118) ⁽¹⁾** ... 138

⁽¹⁾ Text with EEA relevance.

II

(Non-legislative acts)

REGULATIONS

COMMISSION DELEGATED REGULATION (EU) 2022/1288

of 6 April 2022

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to 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 ⁽¹⁾, and in particular Article 2a(3), Article 4(6), third subparagraph, Article 4(7), second subparagraph, Article 8(3), fourth subparagraph, Article 8(4), fourth subparagraph, Article 9(5), fourth subparagraph, Article 9(6), fourth subparagraph, Article 10(2), fourth subparagraph, Article 11(4), fourth subparagraph and Article 11(5), fourth subparagraph thereof,

Whereas:

- (1) Sustainability-related disclosures in the financial services sector should be sufficiently clear, concise, and prominent to enable end investors to take informed decisions. To that end, end investors should have access to reliable data that they can use and analyse in a timely and efficient manner. The information provided in such disclosures should therefore be reviewed and revised in accordance with the Directives, Regulations and national provisions referred to in Article 6(3) and Article 11(2) of Regulation (EU) 2019/2088. In addition, rules should be laid down concerning the publication of that information on websites, where such publication is required by Regulation (EU) 2019/2088.
- (2) The content and presentation of sustainability-related disclosures relating to financial products that reference a basket of indexes should provide end investors with a comprehensive view of the features of such financial products. It is therefore necessary that sustainability-related disclosures concerning an index that is designated as a reference benchmark and is made up of a basket of indexes, covers both the basket and each index in that basket.
- (3) For end investors that have an interest in the sustainability performance of financial market participants and financial advisers, it is essential that information provided by financial market participants about the principal adverse impacts of their investment decisions on sustainability factors, and by financial advisers about principal adverse impacts of their investment advice or insurance advice on sustainability factors, is comprehensive. Such information should therefore cover both direct and indirect investments in assets.

⁽¹⁾ OJ L 317, 9.12.2019, p. 1.

- (4) It is necessary to ensure that the information disclosed can be easily compared and that the indicators of principal adverse impacts of investment decisions on sustainability factors can be easily understood. Such comparability and comprehensibility would be improved by making a distinction between, on the one hand, indicators of adverse impacts that always lead to principal adverse impacts, and, on the other hand, additional indicators of adverse impacts on sustainability factors that are principal for the financial market participants. It is, however, important to ensure that adverse impacts of investment decisions on climate, or on other environment-related sustainability factors, are considered as important as adverse impacts of investment decisions on social, employee, human rights, anti-corruption or anti-bribery sustainability factors. The additional indicators of principal adverse impacts should therefore relate to at least one of each of those factors. To ensure coherence with other sustainability-related disclosures, the indicators of principal adverse impacts should use standardised metrics, where relevant, and be based on the indicators used in Commission Delegated Regulation (EU) 2020/1818 ^(?) and Commission Delegated Regulation (EU) 2021/2139 ^(?).
- (5) To further strengthen the comparability of the information to be disclosed, the information on principal adverse impacts should relate to reference periods that run from 1 January until 31 December of the preceding year, and should be published by 30 June each year as a common date. It is possible, however, that the portfolios of investments of financial market participants change regularly within such reference periods. The determination of principal adverse impacts should therefore be undertaken on at least four specific dates during such reference period and the average result should be disclosed on an annual basis. To ensure that end investors can compare how financial market participants have considered the principal adverse impacts over time, financial market participants should provide a historical year-by-year comparison of their reports for at least the five previous reference periods, where available.
- (6) Financial market participants that consider principal adverse impacts for the first time in a given calendar year should be treated appropriately, while it should also be ensured that end investors receive sufficient information before taking their investment decisions. Such financial market participants should therefore disclose information about the actions they plan or the targets they set for the subsequent reference period to avoid or reduce any principal adverse impacts identified. For the same reason, they should also disclose information about their policies to identify and prioritise principal adverse impacts on sustainability factors and the international standards they will apply in that subsequent reference period.
- (7) End investors should, irrespective of the Member State they reside in, be able to compare the disclosed principal adverse impacts on sustainability factors. Financial market participants should therefore provide a summary of their disclosures in both a language that is customary in the sphere of international finance and in one of the official languages of the Member States in which the financial products of those financial market participants are made available.
- (8) Financial advisers use information on principal adverse impacts on sustainability factors that is provided by financial market participants. Information provided by financial advisers on whether and how they take into account principal adverse impacts on sustainability factors within their investment or insurance advice should therefore clearly describe how the information from financial market participants is processed and integrated in their investment or insurance advice. In particular, financial advisers that rely on criteria or thresholds concerning principal adverse impacts on sustainability factors that are used to select, or advise on, financial products, should publish those criteria or thresholds.

(?) Commission 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).

(?) Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 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 (OJ L 442, 9.12.2021, p. 1).

- (9) The carbon footprint metrics are not yet fully developed. Financial market participants that, in accordance with Article 4(2), point (d), of Regulation (EU) 2019/2088, refer in their entity-level disclosures to the degree of alignment of their financial products with the objectives of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change, should therefore base such disclosures on forward-looking climate scenarios.
- (10) One way 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 sustainable investment as their objective must, as part of the disclosures made with regard to the 'do no significant harm' principle, also consider sustainability indicators in relation to the adverse impacts referred to in Article 4(6) and (7) of Regulation (EU) 2019/2088. For those reasons, financial market participants should indicate, as part of their sustainability disclosures, how they consider, for those financial products, the principal adverse impacts of their investment decisions on sustainability factors.
- (11) Article 10(1), second subparagraph, of Regulation (EU) 2019/2088 requires financial market participants that make available financial products that promote environmental or social characteristics to disclose those characteristics without misleading end investors. That implies that financial market participants should not disclose on sustainability, including through product categorisation, in a way that does not reflect the way in which the financial product effectively promotes those environmental or social characteristics. Financial market participants should therefore only disclose those criteria for the selection of underlying assets that are binding on the investment decision-making process, and not criteria that they may ignore or override at their discretion.
- (12) Financial products that promote environmental or social characteristics can be used to invest in a wide range of underlying 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. Examples of such investments are hedging instruments, unscreened investments for diversification purposes, investments for which data are lacking or cash held as ancillary liquidity. Financial market participants making available such financial products should therefore be fully transparent about the allocation of the underlying investments to those categories of investments.
- (13) Financial products can promote environmental or social characteristics in a myriad of ways, including in a pre-contractual or periodic document, in their product name or in any marketing communication about their investment strategy, financial product standards, labels they adhere to, or applicable conditions for automatic enrolment. To ensure comparability and comprehensibility of the promoted environmental or social characteristics, financial market participants that make available financial products that promote environmental or social characteristics should confirm the information about the promotion of environmental or social characteristics in annexes to the documents or information referred to in Article 6(3) and Article 11(2) of Regulation (EU) 2019/2088 on pre-contractual and periodic disclosures.
- (14) Financial products that promote environmental or social characteristics have various degrees of sustainability-related ambition. Therefore, where those financial products pursue sustainable investment in part, financial market participants should confirm that fact in the annexes to the documents or information referred to in Article 6(3) and Article 11(2) of Regulation (EU) 2019/2088 on pre-contractual and periodic disclosures to ensure that end investors are able to understand the different degrees of sustainability and take informed investment decisions in terms of sustainability.
- (15) While financial products that have sustainable investment as their objective should make sustainable investments only, such products can to some extent make other investments where they are required to do so under sector specific rules. It is therefore appropriate to require disclosures on the amount and purpose of any other investments so that it can be verified whether those investments do not prevent the financial product from attaining its sustainable investment objective.

- (16) Many financial products rely on exclusion strategies based on environmental or social criteria. End investors should be provided with the information necessary to assess the effects of such criteria on investment decisions, and the effects of such exclusion strategies on the composition of the resulting portfolio. Market practice demonstrates that some exclusion strategies are showcased as effective, while in fact those exclusion strategies actually lead to the exclusion of only a limited number of investments, or are based on exclusions required by law. It is therefore 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. To prevent mis-selling and greenwashing, and to provide end investors with a better understanding of the effects of the exclusion strategies applied by certain financial products, financial market participants should confirm any commitment in terms of excluded investments, in particular as binding elements of the investment strategy, in information on asset allocation and in the information on sustainability indicators used to measure the effects of such strategies.
- (17) Regulation (EU) 2019/2088 aims to reduce information asymmetries in principal-agent relationships concerning the promotion of environmental or social characteristics and sustainable investment objectives. To that end, that Regulation requires financial market participants to make pre-contractual and website disclosures to end investors when they act as agents of those end investors. For that requirement to be fully effective, financial market participants should monitor throughout the lifecycle of a financial product how that product complies with the disclosed environmental or social characteristics, or with the sustainable investment objective. Financial market participants should therefore explain, as part of their website disclosures, the internal or external control mechanisms put in place to monitor such compliance on a continuous basis.
- (18) Regulation (EU) 2019/2088 specifies that the assessment of good governance practices forms an integral part of financial products that promote environmental or social characteristics, or that have sustainable investment as their objective. Therefore, financial market participants that make available financial products that promote environmental or social characteristics or that have a sustainable investment objective should disclose information on their policies to assess good governance practices of investee companies.
- (19) Article 8(1), point (b), of Regulation (EU) 2019/2088 requires financial market participants that make available financial products that promote environmental or social characteristics and that use a designated index as a reference benchmark to disclose whether and how that index is consistent with those characteristics. In contrast, Article 9(1) of Regulation (EU) 2019/2088 requires financial market participants that make available financial products that have sustainable investment as their objective and that use a designated index as a reference benchmark to disclose how that index is aligned with that investment objective and why and how that designated index differs from a broad market index. For such financial products, financial market participants should thus 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 ensures that the financial product is continuously aligned with that index. Therefore, methodological disclosures should be made at index level for such financial products.
- (20) Financial market participants can use various investment methods to ensure that the financial products that they make available meet the environmental or social characteristics, or attain the sustainable investment objective. Financial market participants can directly invest in securities issued by investee companies or make indirect investments. Financial market participants should be transparent about which share of their investments is held directly and which share is held indirectly. In particular, financial market participants should explain how the use of derivatives is compatible with the environmental or social characteristics that the financial product promotes or with the objective of sustainable investment.
- (21) To ensure clarity to end investors, pre-contractual information about financial products 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 to ensure a level-playing field with financial products that have sustainable investment as their objective, pre-contractual, website and periodic information about products that promote environmental or social characteristics should also mention the proportion of the sustainable investments.

- (22) Article 2, point (17), of Regulation (EU) 2019/2088 defines a sustainable investment as an investment in an economic activity that contributes to an environmental or social objective, 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. The 'do not significant harm' principle is particularly important for financial products that have sustainable investment as their objective as compliance with that principle is a necessary criterion to assess whether an investment delivers the sustainable investment objective. That principle is, however, also relevant for financial products that promote environmental or social characteristics where those financial products make sustainable investments, as financial market participants should disclose the proportion of sustainable investments made. Financial market participants that make available financial products that promote environmental or social characteristics which partly make sustainable investments or financial products that have sustainable investment as their objective should thus provide information relating to the 'do not significant harm' principle. The principle of 'do not significant harm' is linked to the disclosures of principal adverse impacts of investment decisions on sustainability factors. For that reason, financial product disclosures about the 'do not significant harm' principle should explain how the indicators for adverse impacts have been taken into account. Furthermore, as those disclosures are closely linked to Regulation (EU) 2020/852 of the European Parliament and of the Council⁽⁴⁾, it is appropriate to require additional information on the alignment of the investments with the minimum safeguards set out in that Regulation.
- (23) To enable end investors to better understand the investment strategies offered, financial market participants should use website sustainability-related disclosures to expand on topics disclosed in a concise way in pre-contractual documents and to provide further information relevant to those end investors. Before a contract is concluded, 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 hyperlink to that information.
- (24) The website product disclosure should provide additional details about the investment strategy used for the financial product concerned, including the policy to assess good governance of investee companies, and the methodologies used to measure whether the financial product meets the environmental or social characteristics or attains sustainable investment objectives. Moreover, financial market participants should publish on their website a clear, succinct and understandable summary of the information provided as part of the periodic reporting.
- (25) With respect to the content of the periodic disclosures required by Article 11 of Regulation (EU) 2019/2088, financial market participants should disclose a minimum set of standardised and comparable quantitative and qualitative indicators that demonstrate how each financial product meets the environmental or social characteristics that it promotes or the sustainable investment objective that it aims to attain. Those 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 in their periodic disclosures on the specific sustainability indicators mentioned in the pre-contractual information and that are used to measure how the environmental or social characteristics are met or the sustainable investment objective is attained.
- (26) It is necessary to ensure that end investors have a clear overview of the investments of the financial product. Financial market participants should therefore provide in the periodic reports required by Article 11 of Regulation (EU) 2019/2088 information on the impacts of the fifteen top investments of the financial product. Those top investments should be selected on the basis of the investments accounting for the greatest proportion of investments over the course of the period covered by the periodic report, calculated at appropriate intervals to be representative of that period. However, where less than fifteen investments account for half of the investments of the financial product, financial market participants should provide information on those investments only. Moreover, to ensure adequate comparability over time, financial market participants should provide a historical year-by-year comparison of their periodic reports for at least the five previous periods, provided periodic reports for those periods are available.

⁽⁴⁾ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

- (27) Financial market participants making available financial products that use a reference benchmark to meet environmental or social characteristics, or to attain the sustainable investment objective, should be transparent on how well the financial product is able to stay in line with the designated reference benchmark when aiming to meet or to attain that characteristic or objective. For that reason, and to foster consistency with the environmental, social and governance (ESG) disclosures required at benchmark level by Regulation (EU) 2016/1011 of the European Parliament and Council ⁽⁹⁾, financial market participants should compare in their periodic reports the performance of the financial product concerned with that of the designated reference benchmark for all those sustainability indicators that are relevant to substantiate that the designated benchmark is aligned with the environmental or social characteristics of the financial product or its sustainable investment objective. That comparison should also enable end investors to clearly determine to what extent the financial product performs in a sustainable manner compared to the performance of a mainstream product.
- (28) It is necessary to ensure that end investors are able to benefit from the sustainability-related disclosures in relation to an offer for a financial product from a financial market participant from another Member State. Financial market participants should therefore provide a summary of the information provided in those sustainability-related disclosures in a language that is customary in the sphere of international finance. Where a financial product is made available 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 made available.
- (29) It is necessary 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 such information is easily comprehensible to end investors. It is therefore appropriate to set out standard templates for the presentation of that information. For the same reason, the templates should contain summary explanations of key terms used in those templates.
- (30) Certain financial products may offer a range of underlying investment options to end investors. It is necessary to ensure that end investors are informed about the potential sustainability performance of such products, and that financial market participants are required to provide information on those options that promote environmental or social characteristics or have sustainable investment as their objective. That information should make clear that for financial products that promote environmental or social characteristics, the extent to which those products meet 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 provided 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. There are financial products that offer a range of underlying investment options to end investors, with one or more of the underlying investment options qualifying as financial products that promote environmental or social characteristics. To provide full transparency, it is important to ensure that information about those financial products also covers those options. There are also financial products where one or more of the underlying investment options are financial products that have sustainable investment as their objective. In that case also, the information about those products should cover those options. There are also financial products with one or more of the underlying investment options that have sustainable investment as their objective, but where those options are not financial products as defined in Article 2, point (12), of Regulation (EU) 2019/2088. Since those options 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.
- (31) Pre-contractual disclosures for financial products that offer a range of underlying investment options should provide an appropriate level of sustainability-related information 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

⁽⁹⁾ 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).

where sustainability-related information about those options can be found. That list should ensure that the underlying investment options are appropriately categorised in terms of the objective of sustainable investment and the promotion of environmental or social characteristics.

- (32) Including the sustainability-related information directly in the form of annexes to the pre-contractual disclosures referred to in Regulation (EU) 2019/2088 may prevent an end investor from receiving a clear and concise disclosure because the financial product may offer a large range of underlying investment options and a corresponding number of annexes of information. In such cases, it should be allowed that such information is provided through a reference to other disclosures made pursuant to Directives, Regulations or national law. Similarly, for periodic disclosures relating to financial products that offer a range of underlying investment options, the periodic information should only relate to the investment options invested in, because the investment options actually invested in govern the extent to which the financial product meets the environmental or social characteristics that it promotes or attains its sustainable investment objective.
- (33) Regulation (EU) 2020/852 amended Regulation (EU) 2019/2088 by requiring financial market participants to include within the pre-contractual and periodic disclosures of financial products that have sustainable investment as their objective and invest in an economic activity that contributes to an environmental objective within the meaning of Article 2, point (17), of that Regulation, information on the environmental objective as set out in Regulation (EU) 2020/852, and a description of how and to what extent the investments underlying the financial product are in environmentally sustainable economic activities as referred to in Article 3 of that Regulation. In addition, Regulation (EU) 2019/2088 now also requires financial market participants to include within the pre-contractual and periodic disclosures of financial products that promote environmental characteristics information required for financial products that have sustainable investment as their objective and invest in an economic activity that contributes to an environmental objective within the meaning of that Regulation. It is necessary to enable end investors to easily compare the degrees of financial products' investments in environmentally sustainable economic activities. Financial market participants should therefore, for the purposes of Article 6(1) and 2, and Article 11(2) of Regulation (EU) 2019/2088, include in the annexes to the documents or information referred to in Article 6(3) and Article 11(2) of that Regulation (EU) graphical representations of such investments on the basis of a standardised metric, with the numerator consisting of the market value of investments in environmentally sustainable economic activities and the denominator consisting of the market value of all investments. In order to provide reliable information to end investors, the numerator should include the market value of the investments in investee companies that represents the proportion of environmentally sustainable economic activities of those investee companies, and the proceeds of debt securities where the debt securities terms require those proceeds to be used for environmentally sustainable economic activities. To capture all investments that can finance environmentally sustainable economic activities, it should be possible to include into the numerator infrastructure assets, real estate assets, securitisation assets and investments in other financial products as referred to in Article 5, first paragraph, and Article 6, first paragraph, of Regulation (EU) 2020/852. Due to the lack of reliable methodologies to determine to what extent exposures achieved through derivatives are exposures to environmentally sustainable economic activities, such exposures should not be included in the numerator. The denominator should consist of the market value of all investments.
- (34) There is currently no appropriate methodology to calculate to what extent exposures to central governments, central banks and supranational issuers ('sovereign exposures') are exposures to environmentally sustainable economic activities. In order to increase awareness of end investors, it is appropriate to calculate and graphically represent the extent of investments in environmentally sustainable economic activities in two ways. The first way is to allow the inclusion in the numerator of investments in debt securities issued by central governments, central banks and supranational issuers where the debt securities' terms require the proceeds to be used for environmentally sustainable economic activities and the inclusion in the denominator of investments in debt securities issued by central governments, central banks and supranational issuers, regardless of the use of proceeds. To further inform investment decisions of end investors, financial market participants should explain why certain sovereign exposures are not in environmentally sustainable economic activities, including where that is the case due to the lack of appropriate methodologies to calculate to what extent those exposures are exposures to environmentally sustainable economic activities. The second way is to exclude sovereign exposures from the numerator and from the denominator, thus further enhancing comparability among financial products and allowing end investors to assess to what extent financial products invest in environmentally sustainable economic activities without the inclusion of sovereign exposures.

- (35) Financial market participants should be able to rely on third party data providers where undertakings have not yet complied with the obligation, laid down in Article 8 of Regulation (EU) 2020/852, to disclose information on how and to what extent their activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation. For the assessment of investments in investee companies that are not subject to the disclosures required by Article 8 of Regulation (EU) 2020/852, financial market participants should assess and use the publicly reported data. Only where such data are not available, financial market participants should be allowed to use data that have been obtained either directly from investee companies, or from third parties, in each case provided that the data made available under such disclosures are equivalent to the data made available under the disclosures made in accordance with that Article 8.
- (36) It is necessary to ensure that financial products consistently disclose information on the degree to which investments in investee companies that are non-financial undertakings, are investments in environmentally sustainable economic activities under Articles 3 and 9 of Regulation (EU) 2020/852. To that end, financial market participants should select either the proportion of the turnover, capital expenditure or operating expenditure to calculate the key performance indicator per financial product to measure that degree, and they should disclose that selection in the annexes to the documents or information referred to in Article 6(3) of Regulation (EU) 2019/2088. To ensure comparability among financial products and for ease of comprehension by end investors, the key performance indicator should by default be turnover. Capital expenditure or operating expenditure should only be used where the features of the financial product justify such use, in particular where capital expenditure or operating expenditure are more representative for the degree to which those financial products invest in environmentally sustainable economic activities, and provided such use is explained. For investee companies that are financial undertakings, as defined in Article 1, point (8), of Commission Delegated Regulation (EU) 2021/2178 ⁽⁶⁾, the comparability should be achieved by requiring the use of the same key performance indicator for the same type of financial undertaking. For insurance undertakings and reinsurance undertakings that carry out non-life underwriting activities, it should be possible to combine both the investment and underwriting key performance indicators into a single key performance indicator. To promote transparency to end investors, it is necessary to require that the periodic disclosures of how and to what extent the investments underlying the financial product are made in environmentally sustainable economic activities provide a comparison with the targeted proportions of investments in those economic activities featured in the pre-contractual disclosures. To ensure comparability and transparency, the periodic disclosures should indicate to what degree the investments were made in those economic activities by turnover, capital expenditure and operational expenditure.
- (37) The provisions of this Regulation are closely linked to each other, since they all 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 financial market participants and financial advisers of their obligations under that Regulation, it is appropriate to include all the regulatory technical standards required by Article 2a(3), Article 4(6), third subparagraph, Article 4(7), second subparagraph, Article 8(3), fourth subparagraph, Article 8(4), fourth subparagraph, Article 9(5), fourth subparagraph, Article 9(6), fourth subparagraph, Article 10(2), fourth subparagraph, Article 11(4), fourth subparagraph, and Article 11(5), fourth subparagraph, into a single Regulation.
- (38) 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).

⁽⁶⁾ Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (OJ L 443, 10.12.2021, p. 9).

- (39) The Joint Committee of the European Supervisory Authorities referred to in Article 54 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council ⁽⁷⁾, in Article 54 of Regulation (EU) No 1094/2010 of the European Parliament and of the Council ⁽⁸⁾ and in Article 54 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council ⁽⁹⁾ has 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 advice of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010, the Insurance and Reinsurance Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1094/2010, and the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010.
- (40) It is necessary to enable financial market participants and financial advisers to adapt to the requirements laid down in this Delegated Regulation. Its date of application should therefore be deferred to 1 January 2023. It is, however, necessary to require financial market participants that have considered principal adverse impacts of investment decisions on sustainability factors as referred to in Article 4(1), point (a), of Regulation (EU) 2019/2088, or as required by Article 4(3) or (4) of that Regulation, by 31 December 2022, to publish the first time the information on those impacts on their websites in separate sections titled 'Statement on principal adverse impacts of investment decisions on sustainability factors' by 30 June 2023 for the period of 1 January 2022 until 31 December 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) 'financial undertaking' means an AIFM as defined in Article 4(1), point (b), of Directive 2011/61/EU of the European Parliament and of the Council ⁽¹⁰⁾, a management company as defined in Article 2(1), point (b), of Directive 2009/65/EC of the European Parliament and of the Council ⁽¹¹⁾, an investment company authorised in accordance with Articles 27, 28 and 29 of Directive 2009/65/EC that has not designated for its management a management company authorised in accordance with Articles 6, 7 and 8 of that Directive, a credit institution as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 of the European Parliament and of the Council ⁽¹²⁾, an investment

⁽⁷⁾ 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).

⁽⁸⁾ 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).

⁽⁹⁾ 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).

⁽¹⁰⁾ Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (OJ L 174, 1.7.2011, p. 1).

⁽¹¹⁾ Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302, 17.11.2009, p. 32).

⁽¹²⁾ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

firm as defined in Article 4(1), point (2), of Regulation (EU) No 575/2013, an insurance undertaking as defined in Article 13, point (1), of Directive 2009/138/EC of the European Parliament and of the Council ⁽¹³⁾, a reinsurance undertaking as defined in Article 13, point (4), of Directive 2009/138/EC, or any third country entity that carries out similar activities, is subject to the laws of a third country and is supervised by a third-country supervisory authority;

- (2) 'non-financial undertaking' means an undertaking that is not a financial undertaking as defined in point (1);
- (3) 'sovereign exposure' means an exposure to central governments, central banks and supranational issuers;
- (4) 'environmentally sustainable economic activity' means an economic activity that complies with the requirements laid down in Article 3 of Regulation (EU) 2020/852;
- (5) 'transitional economic activity' means an economic activity that complies with the requirements laid down in Article 10(2) of Regulation (EU) 2020/852;
- (6) 'enabling economic activity' means an economic activity that complies with the requirements laid down in Article 16 of Regulation (EU) 2020/852.

Article 2

General principles for the presentation of information

1. Financial market participants and financial advisers shall provide the information required by this Regulation free of charge and in a manner that is easily accessible, non-discriminatory, prominent, simple, concise, comprehensible, fair, clear and not misleading. Financial market participants and financial advisers shall present and lay out the information required by this Regulation in a way that is easy to read, use characters of readable size and use a style that facilitates its understanding. Financial market participants may adapt size and font type of characters and colours used in the templates set out in Annexes I to V to this Regulation.
2. Financial market participants and financial advisers shall provide the information required by this Regulation in a searchable electronic format, unless otherwise required by the sectoral legislation referred to in Article 6(3) and Article 11(2) of Regulation (EU) 2019/2088.
3. Financial market participants and financial advisers shall keep the information published on their websites in accordance with this Regulation up to date. They shall clearly mention the date of publication of the information and the date of any update. Where that information is presented as a downloadable file, financial market participants and financial advisers shall indicate the version history in the file name.
4. Financial market participants and financial advisers 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, financial market participants and financial advisers shall provide the information relating to that index in respect of that basket and of each index in that basket.

⁽¹³⁾ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1).

CHAPTER II

TRANSPARENCY ABOUT ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

SECTION 1

Financial market participants*Article 4***Statement by financial market participants that they do consider principal adverse impacts of their investment decisions on sustainability factors**

1. By 30 June each year, the financial market participants referred to in Article 4(1), point (a), of Regulation (EU) 2019/2088, or Article 4(3) or Article 4(4) of that Regulation, shall publish on their website, in a separate section titled: 'Statement on principal adverse impacts of investment decisions on sustainability factors', the information referred to in Article 4(1), point (a), of Regulation (EU) 2019/2088, in Article 4(2), (3) and (4) of that Regulation, and in Articles 4 to 10 of this Regulation. That information shall cover the period of 1 January until 31 December of the preceding year, and shall be published in the section 'Sustainability-related disclosures' referred to in Article 23 of this Regulation.
2. Financial market participants shall publish the statement referred to in paragraph 1 in the format of the template set out in Table 1 of Annex I.
3. By way of derogation from paragraph 1, for financial market participants that publish the statement referred to in Article 4(1), point (a), of Regulation (EU) 2019/2088, or Article 4(3) or Article 4(4) of that Regulation for the first time, the information referred to in paragraph 1 shall cover the period from the date on which the principal adverse impacts of investment decisions on sustainability factors were first considered until 31 December of that year. Those financial market participants shall publish the information in the statement referred to in paragraph 1 by 30 June of the following year.

*Article 5***Summary section**

In the summary section in Table 1 of Annex I, financial market participants shall include all of the following:

- (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;
- (d) a summary of the principal adverse impacts.

The summary section in Table 1 of Annex I shall be drafted in all of the following languages:

- (a) one of the official languages of the home Member State of the financial market participant and, where different, in an additional language customary in the sphere of international finance;
- (b) where a financial product of the financial market participant is made available in a host Member State, one of the official languages of that host Member State.

The summary section shall be of a maximum length of two sides of A4-sized paper when printed.

*Article 6***Description of the principal adverse impacts of investment decisions on sustainability factors**

1. In the section 'Description of the principal adverse impacts on sustainability factors' in Table 1 of Annex I, financial market participants shall complete all the fields that relate to the indicators related to principal adverse impacts of their investment decisions on sustainability factors, and they shall add all of the following:

- (a) information on one or more additional climate and other environment-related indicators, as set out in Table 2 of Annex I;
- (b) information on one or more additional indicators for social and employee matters, respect for human rights, anti-corruption and anti-bribery matters, as set out in Table 3 of Annex I;
- (c) information on any other indicators used to identify and assess additional principal adverse impacts on a sustainability factor.

2. In the section 'Description of the principal adverse impacts on sustainability factors' in Table 1 of Annex I, financial market participants shall describe the actions taken during the period from 1 January to 31 December of the preceding year and actions planned or targets set for the subsequent period from 1 January to 31 December to avoid or reduce the principal adverse impacts identified.

3. Financial market participants shall include in the columns 'Impact' in the section 'Description of the principal adverse impacts on sustainability factors' in Table 1 of Annex I a figure on impact as the average of impacts on 31 March, 30 June, 30 September and 31 December of each period from 1 January to 31 December.

*Article 7***Description of policies to identify and prioritise principal adverse impacts of investment decisions on sustainability factors**

1. In the section 'Description of policies to identify and prioritise principal adverse impacts on sustainability factors' in Table 1 of Annex I, financial market participants shall describe their policies to identify and prioritise principal adverse impacts on sustainability factors and how those policies are kept up to date and applied, including all of the following:

- (a) the date on which the governing body of the financial market participant approved those policies;
- (b) how the responsibility for the implementation of those policies within organisational strategies and procedures is allocated;
- (c) the methodologies to select the indicators referred to in Article 6(1), points (a), (b) and (c), and to identify and assess the principal adverse impacts referred to in Article 6(1), and in particular an explanation of how those methodologies take into account the probability of occurrence and the severity of those principal adverse impacts, including their potentially irremediable character;
- (d) any associated margin of error within the methodologies referred to in point (c) of this paragraph, with an explanation of that margin;
- (e) the data sources used.

2. Where information relating to any of the indicators used is not readily available, financial market participants shall include in the section 'Description of policies to identify and prioritise principal adverse impacts on sustainability factors' in Table 1 of Annex I details of the best efforts used to obtain the information either directly from investee companies, or by carrying out additional research, cooperating with third party data providers or external experts or making reasonable assumptions.

*Article 8***Engagement policies section**

1. In the section 'Engagement policies' in Table 1 of Annex I, financial market participants shall provide all of the following information:
 - (a) where applicable, brief summaries of the engagement policies referred to in Article 3g of Directive 2007/36/EC of the European Parliament and of the Council ⁽¹⁴⁾;
 - (b) brief summaries of any other engagement policies to reduce principal adverse impacts.
2. The brief summaries referred to in paragraph 1 shall describe all of the following:
 - (a) the indicators for adverse impacts considered in the engagement policies referred to in paragraph 1;
 - (b) how those engagement policies will be adapted where there is no reduction of the principal adverse impacts over more than one period reported on.

*Article 9***References to international standards section**

1. In the section 'References to international standards' in Table 1 of Annex I, financial market participants shall describe whether and to what extent they adhere 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.
2. The description referred to in paragraph 1 shall contain information about all of the following:
 - (a) the indicators used to consider the principal adverse impacts on sustainability factors referred to in Article 6(1) that measure the adherence or alignment referred to in paragraph 1;
 - (b) the methodology and data used to measure the adherence or alignment referred to in paragraph 1, including a description of the scope of coverage, data sources, and how the methodology used forecasts the principal adverse impacts of investee companies;
 - (c) whether a forward-looking climate scenario is used, and, if so, the name and provider of that scenario and when it was designed;
 - (d) where no forward-looking climate scenario is used, an explanation of why the financial market participant does consider forward-looking climate scenarios to be irrelevant.

*Article 10***Historical comparison**

Financial market participants that have described the adverse impacts on sustainability factors for a period preceding the period for which information is to be disclosed in accordance with Article 6 shall provide in the section 'Description of principal adverse impacts on sustainability factors' in Table 1 of Annex I a historical comparison of the period reported on with the previous period reported on and, subsequently, with every previous period reported on up to the last five previous periods.

⁽¹⁴⁾ Directive 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).

SECTION 2

Financial advisers

Article 11

Statement by financial advisers that they do consider in their insurance or investment advice principal adverse impacts on sustainability factors

1. The financial advisers referred to in Article 2, point (11), points (a) and (b), of Regulation (EU) 2019/2088 that apply Article 4(5), point (a), of that Regulation shall publish the information referred to in Article 4(5), point (a), of that Regulation in a separate section of their website titled, 'Statement on principal adverse impacts of insurance advice on sustainability factors'.
2. The financial advisers referred to in Article 2, point (11), points (c) to (f), of Regulation (EU) 2019/2088 and apply Article 4(5), point (a), of that Regulation shall publish the information referred to in Article 4(5), point (a), of that Regulation in a separate section of their websites titled, 'Statement on principal adverse impacts of investment advice on sustainability factors'.
3. The statement and information referred to in paragraphs 1 and 2 shall contain details on the process used by financial advisers to select the financial products they advise on, including all of the following:
 - (a) how the financial advisers use the information published by financial market participants pursuant to this Regulation;
 - (b) whether the financial advisers rank and select financial products based on the indicators listed in Table 1 of Annex I and any additional indicators and, where applicable, a description of the ranking and selection methodology used;
 - (c) any criteria or thresholds based on the principal adverse impacts listed in Table 1 of Annex I that are used to select, or advise on, financial products.

SECTION 3

Statement by financial market participants that they do not consider adverse impacts of investment decisions on sustainability factors, and statement by financial advisers that they do not consider adverse impacts of investment decisions on sustainability factors in their investment or insurance advice

Article 12

Statement by financial market participants that they do not consider adverse impacts of their investments decisions on sustainability factors

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

*Article 13***Statement by financial advisers that they do not consider adverse impacts of investment decisions on sustainability factors in their investment or insurance advice**

1. The financial advisers referred to in Article 2, point (11), points (a) and (b), of Regulation (EU) 2019/2088 that apply Article 4(5), point (b), of that Regulation shall publish the information referred to in Article 4(5), point (b), of that Regulation in a separate section of their website titled 'No consideration of adverse impacts of insurance advice on sustainability factors'.
2. The financial advisers referred to in Article 2, point (11), points (c) to (f), of Regulation (EU) 2019/2088 that apply Article 4(5), point (b), of that Regulation shall publish the information referred to in Article 4(5), point (b), of that Regulation in a separate section of their website titled 'No consideration of adverse impacts of investment advice on sustainability factors'.
3. The statement and information referred to in paragraphs 1 and 2 shall contain all of the following:
 - (a) a prominent statement that the financial adviser does not consider any adverse impacts of investment decisions on sustainability factors in its investment or insurance advice;
 - (b) the reasons why the financial adviser does not consider any adverse impacts of investment decisions on sustainability factors in its investment or insurance advice and, where relevant, information on whether the financial adviser intends to consider such adverse impacts by reference to the indicators listed in Table 1 of Annex I, and if so, when.

CHAPTER III

PRE-CONTRACTUAL PRODUCT DISCLOSURE

SECTION 1

*Promotion of environmental or social characteristics**Article 14***Presentation by financial market participants of the pre-contractual information to be disclosed pursuant to Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088**

1. Financial market participants shall present the information to be disclosed pursuant to Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 in the format of the template set out in Annex II to this Regulation. That information shall be attached as an annex to the documents or the information referred to in Article 6(3) of Regulation (EU) 2019/2088.
2. Financial market participants shall include in the main body of the documents or information referred to in Article 6(3) of Regulation (EU) 2019/2088 a prominent statement that information about the environmental or social characteristics is available in the annex to those documents or that information.
3. Financial market participants shall provide at the beginning of the annex to the documents or the information referred to in Article 6(3) of Regulation (EU) 2019/2088 all of the following information:
 - (a) whether the financial product intends to make any sustainable investments;
 - (b) whether the financial product promotes environmental or social characteristics, without having as its objective a sustainable investment.

*Article 15***Sustainable investment information in the asset allocation section for financial products that promote environmental characteristics**

1. For the financial products referred to in Article 6, first subparagraph, of Regulation (EU) 2020/852, financial market participants shall provide, in the section 'To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?' in the template set out in Annex II, all of the following:

- (a) a graphical representation in the form of a pie chart of:
 - (i) the degree to which the aggregated investments are investments in environmentally sustainable economic activities, as calculated in accordance with Article 17(1) to (4) of this Regulation;
 - (ii) the degree to which the aggregated investments, excluding sovereign exposures, are investments in environmentally sustainable economic activities, as calculated in accordance with Article 17(5) of this Regulation;
- (b) a description of the investments underlying the financial products that are in environmentally sustainable economic activities, including whether the compliance of those investments with the requirements laid down in Article 3 of Regulation (EU) 2020/852 will be subject to an assurance provided by one or more auditors or a review by one or more third parties and, if so, the name or the names of the auditor or third party;
- (c) where the financial products invest in economic activities other than environmentally sustainable economic activities, a clear explanation of the reasons for doing so;
- (d) where the financial products have sovereign exposures and the financial market participant cannot assess the extent to which those exposures contribute to environmentally sustainable economic activities, a narrative explanation of the proportion in total investments of investments that consist of those exposures.

2. For the purposes of paragraph 1, point (a), financial market participants shall use:

- (a) the same key performance indicator for the aggregated investments in non-financial undertakings;
- (b) the same key performance indicator for the aggregated investments in the same type of financial undertakings.

For insurance and reinsurance undertakings that carry out non-life underwriting activities, the key performance indicator may combine the investment and the underwriting key performance indicators in accordance with Article 6 of Delegated Regulation (EU) 2021/2178.

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

- (a) in respect of investee companies that are non-financial undertakings, whether the degree to which the investments are in environmentally sustainable economic activities is measured by turnover, or whether, due to the features of the financial product, the financial market participant has decided that a more representative calculation is given when that degree is measured by capital expenditure or operating expenditure and the reason for that decision, including an explanation of why that decision is appropriate for investors in the financial product;
- (b) where information about the degree to which the investments are in environmentally sustainable economic activities is not readily available from public disclosures by investee companies, details of whether the financial market participant obtained equivalent information directly from investee companies or from third party providers;
- (c) a breakdown of the minimum proportions of investments in the transitional economic activities and in the enabling economic activities, in each case expressed as a percentage of all investments of the financial product.

Article 16

Sustainable investment information in the asset allocation section for financial products that promote social characteristics

For financial products that promote environmental or social characteristics and that include a commitment in sustainable investments with a social objective, financial market participants shall include in the section 'What is the asset allocation planned for this financial product?' in the template set out in Annex II the minimum share of those sustainable investments.

Article 17

Calculation of the degree to which investments are in environmentally sustainable economic activities

1. The degree to which investments are in environmentally sustainable economic activities shall be calculated in accordance with the following formula:

$$\frac{\text{market value of all investments of the financial product in environmentally sustainable economic activities}}{\text{market value of all investments of the financial product}}$$

where 'investments of the financial product in environmentally sustainable economic activities' shall be the sum of the market values of the following investments of the financial product:

- (a) for debt securities and equities of investee companies, where a proportion of activities of those investee companies is associated with environmentally sustainable economic activities, the market value of that proportion of those debt securities or equities;
- (b) for debt securities other than those referred to in point (a), where a proportion of the proceeds is required by the terms of those debt securities to be used exclusively on environmentally sustainable economic activities, the market value of that proportion;
- (c) for bonds issued under Union legislation on environmentally sustainable bonds, the market value of those bonds;
- (d) for investments in real estate assets which qualify as environmentally sustainable economic activities, the market value of those investments;
- (e) for investments in infrastructure assets which qualify as environmentally sustainable economic activities, the market value of those investments;
- (f) for investments in securitisation positions as defined in Article 2, point (19), of Regulation (EU) 2017/2402 of the European Parliament and of the Council ⁽¹⁵⁾ with underlying exposures in environmentally sustainable economic activities, the market value of the proportion of those exposures;
- (g) for investments in financial products as referred to in Article 5, first paragraph, and Article 6, first paragraph, of Regulation (EU) 2020/852, the market value of the proportion of those financial products representing the degree to which investments are in environmentally sustainable economic activities, as calculated in accordance with this Article.

The degree to which investments are into environmentally sustainable economic activities shall be calculated by applying the methodology used to calculate net short positions laid down in Article 3(4) and (5) of Regulation (EU) No 236/2012 of the European Parliament and of the Council ⁽¹⁶⁾.

⁽¹⁵⁾ Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

⁽¹⁶⁾ Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps (OJ L 86, 24.3.2012, p. 1).

2. For the purposes of paragraph 1, point (a), the proportion of activities of investee companies associated with environmentally sustainable economic activities shall be calculated on the basis of the most appropriate key performance indicators for the investments of the financial product using the following information:

- (a) for the investee companies referred to in Article 8(1) and (2) of Regulation (EU) 2020/852, the disclosures made by those investee companies in accordance with that Article;
- (b) for other investee companies, equivalent information obtained by the financial market participant directly from investee companies or from third party providers.

3. For the disclosures referred to in Article 15(1), point (a), and Article 19(1), point (a), in the case of investee companies that are non-financial undertakings that are subject to the obligation to publish non-financial information pursuant to Delegated Regulation (EU) 2021/2178 and other non-financial undertakings that are not subject to that obligation, the calculation referred to in paragraph 2 shall use turnover as the same type of key performance indicator for all non-financial undertakings.

4. By way of derogation from paragraph 3, where, due to the features of the financial product, capital expenditure or operating expenditure gives a more representative calculation of the degree to which an investment is into environmentally sustainable economic activities, the calculation may use the most appropriate of those two key performance indicators. In the case of investee companies that are financial undertakings subject to Article 8(1) of Regulation (EU) 2020/852 and for other financial undertakings that are not subject to that obligation, the calculation referred to in paragraph 2 shall use the key performance indicators referred to in Section 1.1, points (b) to (e), of Annex III to Delegated Regulation (EU) 2021/2178.

5. For the disclosures referred to in Article 15(1), point (a)(ii), Article 19(1), point (a)(ii), Article 55(1), point (b)(iii) and Article 62(1), point (b)(iii), paragraphs 1 to 4 of this Article shall apply, except that the sovereign exposures shall be excluded from the calculation of the numerator and of the denominator of the formula contained in paragraph 1.

SECTION 2

Sustainable investment as objective

Article 18

Presentation by financial market participants of pre-contractual information for financial products to be disclosed pursuant to Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088

1. Financial market participants shall present the information to be disclosed pursuant to Article 9(1) to (4a) of Regulation (EU) 2019/2088 and this Section in an annex to the document or the information referred to in Article 6(3) of Regulation (EU) 2019/2088. They shall present that information in the format of the template set out in Annex III to this Regulation.

2. Financial market participants shall include in the main body of the document or the information referred to in Article 6(3) of Regulation (EU) 2019/2088 a prominent statement that information about sustainable investment is available in the annex.

3. Financial market participants shall include at the beginning of the annex to the document or the information referred to in Article 6(3) of Regulation (EU) 2019/2088 a statement that the financial product has sustainable investment as its objective.

*Article 19***Sustainable investment information for financial products with the objective of sustainable investment**

1. For the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852, financial market participants shall include in the section ‘What is the asset allocation and the minimum share of sustainable investments?’ in the template set out in Annex III all of the following information:
 - (a) a graphical representation in the form of a pie chart:
 - (i) in accordance with Article 15(1), point (a)(i), of this Regulation;
 - (ii) in accordance with Article 15(1), point (a)(ii), of this Regulation;
 - (b) a description in accordance with Article 15(1), point (b), of this Regulation;
 - (c) where the financial products invest in economic activities that contribute to an environmental objective and the economic activities are not environmentally sustainable economic activities, a clear explanation of the reasons for doing so;
 - (d) where the financial products have sovereign exposures and the financial market participant cannot assess the extent to which those exposures contribute to environmentally sustainable economic activities, a narrative explanation of the proportion in total investments of investments that consist of those exposures.
2. For the purposes of paragraph 1, point (a), financial market participants shall apply Article 15(2).
3. For the purposes of paragraph 1, point (b), financial market participants shall apply Article 15(3).
4. For financial products that invest in an economic activity that contributes to a social objective, financial market participants shall include in the section ‘What is the asset allocation and the minimum share of sustainable investments?’ in the template set out in Annex III the minimum share of those investments.

SECTION 3

Financial products with investment options*Article 20***Financial products with one or more underlying investment options that qualify those financial products as financial products that promote environmental or social characteristics**

1. By way of derogation from Articles 14 to 17, where a financial product offers investment options to the investor and one or more of those investment options qualify that financial product as a financial product that promotes environmental or social characteristics, financial market participants shall insert in the main body of the document or information referred to in Article 6(3) of Regulation (EU) 2019/2088 a prominent statement confirming all of the following:
 - (a) that the financial product promotes environmental or social characteristics;
 - (b) that those environmental or social characteristics will only be met where the financial product invests in at least one of the investment options mentioned in the list referred to in paragraph 2, point (a), of this Article and that at least one of those options is kept during the holding period of the financial product;
 - (c) that further information about those characteristics is available in the Annexes referred to in paragraph 3 of this Article or, where relevant, through the references referred to in paragraph 5 of this Article.

2. The prominent statement referred to in paragraph 1 shall be accompanied by all of the following:
 - (a) a list of the investment options referred to in paragraph 3, presented in accordance with the categories of investment options referred to in points (a), (b) and (c) of that paragraph;
 - (b) the proportions of investment options within each of the categories referred to in paragraph 3, points (a), (b) and (c), relative to the total number of investment options offered by the financial product.
3. Financial market participants shall provide all of the following information in annexes to the document or information referred to in Article 6(3) of Regulation (EU) 2019/2088 for the following categories of investment options:
 - (a) for each investment option that qualifies as a financial product that promotes environmental or social characteristics, the information referred to in Articles 14 to 17 of this Regulation;
 - (b) for each investment option that qualifies as a financial product that has sustainable investment as its objective, the information referred to in Articles 18 and 19 of this Regulation;
 - (c) for each investment option that has sustainable investment as its objective and is not a financial product, information on the objective of sustainable investment.
4. Financial market participants shall present the information referred to in paragraph 3, point (a), in the form of the template set out in Annex II and the information referred to in paragraph 3, point (b), in the form of 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 about those investment options cannot be provided in annexes to the document or information referred to in Article 6(3) of Regulation (EU) 2019/2088 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 of this Article by including in the main body of the document or information referred to in Article 6(3) of Regulation (EU) 2019/2088 references to the annexes to the disclosures required by the directives, regulations and national provisions referred to in that paragraph where that information can be found.

Article 21

Financial products with underlying investment options that all have sustainable investment as their objective

1. By way of derogation from Articles 18 and 19, where a financial product offers investment options to the investor and those investment options all have sustainable investment as their objectives, financial market participants shall confirm in a prominent statement in the main body of the document or information referred to in Article 6(3) of Regulation (EU) 2019/2088 that the financial product has as its objective sustainable investment and that the information related to that objective is available in the annexes to the document or information referred to in Article 6(3) of Regulation (EU) 2019/2088 or, where relevant, through the references referred to in paragraph 5 of this Article.
2. The prominent statement referred to in paragraph 1 shall be accompanied by all of the following:
 - (a) a list of the investment options referred to in paragraph 3 presented in accordance with the categories of investment options referred to in points (a) and (b) of that paragraph;
 - (b) the proportions of each of the categories of investment options referred to in paragraph 3, points (a) and (b), within each of those categories relative to the total number of investment options offered by the financial product.
3. Financial market participants shall provide all of the following information in annexes to the document or information referred to in Article 6(3) of Regulation (EU) 2019/2088 for the following categories of investment options:

- (a) for each investment option that qualifies as a financial product that has sustainable investment as its objective, the information referred to in Articles 18 and 19 of this Regulation;
- (b) for each investment option that has sustainable investment as its objective and is not a financial product, the information on the objective of sustainable investment.

4. Financial market participants shall present the information referred to in paragraph 3, point (a), 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 annexes to the document or information referred to in Article 6(3) of Regulation (EU) 2019/2088 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 of this Article by including in the main body of the document or information referred to in Article 6(3) of Regulation (EU) 2019/2088 references to the annexes of the applicable disclosures required by directives, regulations and national provisions referred to in that paragraph where that information can be found.

Article 22

Information on underlying investment options that have sustainable investment as their objective and are not themselves financial products

The information on the objective of the sustainable investments referred to in Article 20(3), point (c), and Article 21(3), point (b), shall contain all of the following:

- (a) a description of the sustainable investment objective;
- (b) a list of the indicators used to measure the attainment of that sustainable investment objective;
- (c) a description of how the investments do not significantly harm any of the sustainable investment objectives, including all of the following:
 - (i) how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of that Annex, are taken into account;
 - (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 23

Website section for the disclosure of sustainability-related information about financial products

Financial market participants shall, for each financial product, publish the information referred to in Article 10(1) of Regulation (EU) 2019/2088 in a separate section titled, 'Sustainability-related disclosures', in the same part of their website as the other information relating to the financial product, including marketing communications. Financial market participants 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.

SECTION 1

Website product disclosure for financial products that promote environmental or social characteristics

Article 24

Sections of website product disclosure for financial products that promote environmental or social characteristics

For financial products that promote environmental or social characteristics, financial market participants shall publish the information referred to in Article 10(1) of Regulation (EU) 2019/2088 and Articles 25 to 36 of this Regulation in the following order and made up of all of the following sections titled:

- (a) 'Summary';
- (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';
- (l) where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark'.

Article 25

Website section 'Summary' for financial products that promote environmental or social characteristics

1. In the website section 'Summary' referred to in Article 24, point (a), financial market participants shall summarise all the information contained in the different sections referred to in that Article about the financial products that promote environmental or social characteristics. The summary section shall have a maximum length of two sides of A4-sized paper when printed.
2. The website section 'Summary' referred to in Article 24, point (a), shall be provided in at least the following languages:
 - (a) one of the official languages of the home Member State and, where different and where the financial product is made available in more than one Member State, in an additional language customary in the sphere of international finance;
 - (b) where the financial product is made available in a host Member State, one of the official languages of that host Member State.

*Article 26***Website section ‘No sustainable investment objective’ for financial products that promote environmental or social characteristics**

1. In the website section ‘No sustainable investment objective’ referred to in Article 24, point (b), financial market participants shall insert the following statement: “This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.”
2. Where the financial product commits to making one or more sustainable investments, financial market participants shall in the website section ‘No sustainable investment objective’ referred to in Article 24, point (b), explain how the sustainable investment does not significantly harm any of the sustainable investment objectives, including all of the following:
 - (a) how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex I, are taken into account;
 - (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 27***Website section ‘Environmental or social characteristics of the financial product’ for financial products that promote environmental or social characteristics**

In the website section ‘Environmental or social characteristics of the financial product’ referred to in Article 24, point (c), financial market participants shall describe the environmental or social characteristics that the financial products promotes.

*Article 28***Website section ‘Investment strategy’ for financial products that promote environmental or social characteristics**

In the website section ‘Investment strategy’ referred to in Article 24, point (d), financial market participants shall describe all of the following:

- (a) the investment strategy used to meet the environmental or social characteristics promoted by the financial product;
- (b) the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

*Article 29***Website section ‘Proportion of investments’ for financial products that promote environmental or social characteristics**

In the website section ‘Proportion of investments’ referred to in Article 24, point (e), financial market participants shall insert the information referred to in Article 14 and shall distinguish between direct exposures in investee entities and all other types of exposures to those entities.

*Article 30***Website section ‘Monitoring of environmental or social characteristics’ for financial products that promote environmental or social characteristics**

In the website section ‘Monitoring of environmental or social characteristics’ referred to in Article 24, point (f), financial market participants shall describe how the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.

*Article 31***Website section ‘Methodologies for environmental or social characteristics’ for financial products that promote environmental or social characteristics**

In the website section ‘Methodologies for environmental or social characteristics’ referred to in Article 24, point (g), financial market participants shall describe the methodologies to measure how the social or environmental characteristics promoted by the financial product are met.

*Article 32***Website section ‘Data sources and processing’ for financial products that promote environmental or social characteristics**

In the website section ‘Data sources and processing’ referred to in Article 24, point (h), financial market participants shall describe all of the following:

- (a) the data sources used to attain each of the environmental or social characteristics promoted by the financial product;
- (b) the measures taken to ensure data quality;
- (c) how data are processed;
- (d) the proportion of data that are estimated.

*Article 33***Website section ‘Limitations to methodologies and data’ for financial products that promote environmental or social characteristics**

In the website section ‘Limitations to methodologies and data’ referred to in Article 24, point (i), financial market participants shall describe all of the following:

- (a) any limitations to the methodologies referred to in Article 24, point (g), and to the data sources referred to in Article 24, point (h);
- (b) how such limitations do not affect how the environmental or social characteristics promoted by the financial product are met.

*Article 34***Website section ‘Due diligence’ for financial products that promote environmental or social characteristics**

In the website section ‘Due diligence’ referred to in Article 24, point (j), financial market participants shall describe the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.

*Article 35***Website section ‘Engagement policies’ for financial products that promote environmental or social characteristics**

In the website section ‘Engagement policies’ referred to in Article 24, point (k), financial market participants shall describe 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 36***Website section ‘Designated reference benchmark’ for financial products that promote environmental or social characteristics**

1. In the website section ‘Designated reference benchmark’ referred to in Article 24, point (l), financial market participants shall describe whether an index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product, and how that index is aligned with the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated.

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

SECTION 2

Website product disclosure for financial products that have sustainable investments as their objective*Article 37***Website product disclosure for financial products that have sustainable investments as their objective**

For financial products that have sustainable investments as their objective, financial market participants shall publish the information referred to in Article 10(1) of Regulation (EU) 2019/2088 and Articles 38 to 49 of this Regulation in the following order and made up of all of the following sections titled:

- (a) ‘Summary’;
- (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’;
- (l) ‘Attainment of the sustainable investment objective’.

*Article 38***Website section ‘Summary’ for financial products that have sustainable investment as their objective**

1. In the website section ‘Summary’ referred to in Article 37, point (a), financial market participants shall summarise all the information contained in the different sections referred to in that Article 37 about the financial products that have sustainable investment as their objective. The summary section shall have a maximum length of two sides of A4-sized paper when printed.
2. The website section ‘Summary’ referred to in Article 37, point (a), shall be provided in at least the following languages:
 - (a) one of the official languages of the home Member State and, where different and where the financial product is made available in more than one Member State, in an additional language customary in the sphere of international finance;
 - (b) where the financial product is made available in a host Member State, one of the official languages of that host Member State.

*Article 39***Website section ‘No significant harm to the sustainable investment objective’ for financial products that have sustainable investment as their objective**

In the website section ‘No significant harm to the sustainable investment objective’ referred to in Article 37, point (b), financial market participants shall explain whether and why the investments of the financial product do not significantly harm any of the sustainable investment objectives, and provide all of the following information:

- (a) how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex, are taken into account;
- (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 40***Website section ‘Sustainable investment objective of the financial product’ for financial products that have sustainable investment as their objective**

In the website section ‘Sustainable investment objective of the financial product’ referred to in Article 37, point (c), financial market participants shall describe the sustainable investment objective of the financial product.

*Article 41***Website section ‘Investment strategy’ for financial products that have sustainable investment as their objective**

In the website section ‘Investment strategy’ referred to in Article 37, point (d), financial market participants shall describe all of the following:

- (a) the investment strategy used to attain the sustainable investment objective;
- (b) the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

*Article 42***Website section ‘Proportion of investments’ for financial products that have sustainable investment as their objective**

In the website section ‘Proportion of investments’ referred to in Article 37, point (e), financial market participants shall insert the information referred to in the section ‘What is the asset allocation and the minimum share of sustainable investments?’ in the template set out in Annex III to this Regulation and shall distinguish between direct exposures in investee entities and all other types of exposures to those entities.

*Article 43***Website section ‘Monitoring of the sustainable investment objective’ for financial products that have sustainable investment as their objective**

In the website section ‘Monitoring of the sustainable investment objective’ referred to in Article 37, point (f), financial market participants shall describe how the sustainable investment objective and the sustainability indicators used to measure the attainment of the sustainable investment objective are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.

*Article 44***Website section ‘Methodologies’ for financial products that have sustainable investment as their objective**

In the website section ‘Methodologies’ referred to in Article 37, point (g), financial market participants shall describe the methodologies used to measure the attainment of the sustainable investment objective and how the sustainability indicators to measure the attainment of that sustainable investment objective are used.

*Article 45***Website section ‘Data sources and processing’ for financial products that have sustainable investment as their objective**

In the website section ‘Data sources and processing’ referred to in Article 37, point (h), financial market participants shall describe all of the following:

- (a) the data sources used to attain the sustainable investment objective of the financial product;
- (b) the measures taken to ensure data quality;
- (c) how data are processed;
- (d) the proportion of data that are estimated.

*Article 46***Website section ‘Limitation to methodologies and data’ for financial products that have sustainable investment as their objective**

In the website section ‘Limitation to methodologies and data’ referred to in Article 37, point (i), financial market participants shall describe all of the following:

- (a) any limitations to the methodologies referred to in Article 37, point (g), and the data sources referred to in Article 37, point (h);
- (b) why such limitations do not affect the attainment of the sustainable investment objective.

*Article 47***Website section ‘Due diligence’ for financial products that have sustainable investment as their objective**

In the website section ‘Due diligence’ referred to in Article 37, point (j), financial market participants shall describe the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.

*Article 48***Website section ‘Engagement policies’ for financial products that have sustainable investment as their objective**

In the website section ‘Engagement policies’ referred to in Article 37, point (k), financial market participants shall describe 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 49***Website section ‘Attainment of the sustainable investment objective’ for financial products that have sustainable investment as their objective**

1. In the website section ‘Attainment of the sustainable investment objective’ referred to in Article 37, point (l), financial market participants shall describe all of the following:

- (a) for financial products that have sustainable investment as their objective and for which an index has been designated as a reference benchmark, how that index is aligned with the sustainable investment objective of the financial product, including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated;
- (b) for financial products that have a reduction in carbon emissions as their objective, a statement that the reference benchmark qualifies as an EU Climate Transition Benchmark or an EU Paris-aligned Benchmark as defined in Article 3, points (23a) and (23b), of Regulation (EU) 2016/1011, and a hyperlink to where the methodology used for the calculation of those benchmarks can be found.

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

3. By way of derogation from paragraph 1, point (b), where no EU Climate Transition Benchmark or EU Paris-aligned Benchmark as defined in Article 3, points (23a) and (23b), of Regulation (EU) 2016/1011 is available, the website section ‘Attainment of the sustainable investment objective’ referred to in Article 38, point (l), of this Regulation shall mention that fact and explain how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the objectives of the Paris Agreement. Financial market participants shall explain the extent to which the financial product complies with the methodological requirements set out in Delegated Regulation (EU) 2020/1818.

CHAPTER V

PRODUCT DISCLOSURE IN PERIODIC REPORTS

SECTION 1

Promotion of environmental or social characteristics*Article 50***Presentation and content requirements for periodic reports for financial products that promote environmental or social characteristics**

1. For financial products that promote environmental or social characteristics, financial market participants shall present the information referred to in Article 11(1) of Regulation (EU) 2019/2088 in an annex to the document or information referred to in Article 11(2) of that Regulation in the form of the template set out in Annex IV to this Regulation.
2. Financial market participants shall include in the main body of the document or information referred to in Article 11(2) of Regulation (EU) 2019/2088 a prominent statement that information on the environmental or social characteristics is available in that annex.

*Article 51***Attainment of the environmental or social characteristics promoted by the financial products**

In the section 'To what extent were the environmental and/or social characteristics promoted by this financial product met?' in the template set out in Annex IV to this Regulation, financial market participants shall provide all of the following information:

- (a) the extent to which the environmental or social characteristics promoted by the financial product were met during the period covered by the periodic report, including the performance of the sustainability indicators used to measure how each of those environmental or social characteristics are met and which derivatives, if any, have been used to meet those environmental or social characteristics;
- (b) for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, an identification of the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed;
- (c) where the financial market participant has provided at least one previous periodic report in accordance with this Section for the financial product, a historical comparison between the period covered by the periodic report and periods covered by previous periodic reports;
- (d) for financial products that included a commitment to make sustainable investments, an explanation of how those investments have contributed to the sustainable investment objectives referred to in Article 2, point (17), of Regulation (EU) 2019/2088 and have not harmed significantly any of those objectives during the period covered by the periodic report, including all of the following:
 - (i) how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex, were taken into account;
 - (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;
- (e) information on principal adverse impacts on sustainability factors as referred to in the section 'Does this financial product consider principal adverse impacts on sustainability factors?' in the template set out in Annex II to this Regulation.

*Article 52***Top investments for financial products that promote environmental or social characteristics**

1. The section ‘What were the top investments of this financial product?’ in the template set out in Annex IV to this Regulation shall contain a list, in descending order of size, of the fifteen investments constituting the largest proportion of investments of the financial product during the period covered by the periodic report, including the sector and countries in which those investments were made.
2. By way of derogation from paragraph 1, where the number of investments constituting fifty percent of the investments of the financial product during the period covered by the periodic report is less than fifteen, the section referred to in paragraph 1 shall contain a list of those investments, in descending order of size, including the sectors and countries in which those investments were made.

*Article 53***Asset allocation by financial products that promote environmental or social characteristics**

In the section ‘What was the asset allocation?’ in the template set out in Annex IV to this Regulation, financial market participants shall provide a description of the investments of the financial product, including all of the following:

- (a) the proportions of the investments of the financial product that attained the promoted environmental or social characteristics during the period covered by the periodic report;
- (b) the purpose of the remainder of the investments during the period covered by the periodic report, 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 are insufficient data.

*Article 54***Proportion of investments in different economic sectors and sub-sectors**

In the section ‘In which economic sectors were the investments made?’ in the template set out in Annex IV to this Regulation, financial market participants shall provide information on the proportion of investments during the period covered by the periodic report in different sectors and sub-sectors, including sectors and sub-sectors of the economy that derive revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council ⁽¹⁷⁾.

*Article 55***Information on investments in environmentally sustainable economic activities for financial products that promote environmental characteristics**

1. Where the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 included a commitment to make investments in economic activities that contribute to an environmental objective within the meaning of Article 2, point (17), of Regulation (EU) 2019/2088, the section ‘What was the proportion of sustainability-related investments?’ in the template set out in Annex IV shall contain all of the following information:

⁽¹⁷⁾ 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).

- (a) a breakdown of the proportion of the investments per each of the environmental objectives set out in Article 9 of Regulation (EU) 2020/852 to which those investments contributed;
- (b) a description of the investments in environmentally sustainable economic activities during the period covered by the periodic report, including:
 - (i) whether the compliance of those investments with the requirements laid down in Article 3 of Regulation (EU) 2020/852 was subject to an assurance provided by one or more auditors or a review by one or more third parties and, if so, the name or the names of the auditor or third party;
 - (ii) a graphical representation in the form of a bar chart of the aggregated investments in environmentally sustainable economic activities during the period covered by the periodic report, calculated in accordance with Article 17(1) to (4);
 - (iii) a graphical representation in the form of a bar chart of the degree to which the aggregated investments are in environmentally sustainable economic activities during the period covered by the periodic report, but excluding sovereign exposures, and calculated in accordance with Article 17(5);
 - (iv) the information referred to in Article 15(2), point (b);
 - (v) a breakdown of the proportions of investments, during the period covered by the periodic report, in the transitional economic activities and in the enabling economic activities, in each case expressed as a percentage of all investments of the financial product;
 - (vi) where the financial product invested in sustainable investments with an environmental objective, but which are not environmentally sustainable economic activities, a clear explanation of the reasons for doing so;
 - (vii) where the financial market participant has provided at least one previous periodic report in accordance with this Section for the financial product, a historical comparison of the degree to which the investments were made in environmentally sustainable economic activities during the period covered by the periodic report and during previous periods;
 - (viii) where the financial market participant could not assess the extent to which sovereign exposures contributed to environmentally sustainable economic activities during the period covered by the periodic report, a narrative explanation of the reasons and the size of those exposures in total investments.

2. For the purposes of paragraph 1, point (b), points (ii) and (iii), all of the following shall apply:

- (a) when aggregating the investments in non-financial undertakings, the turnover, capital expenditure and operational expenditure shall be calculated and included in the graphical representation;
- (b) when aggregating the investments in financial undertakings, the turnover and capital expenditure shall, where applicable, be calculated and included in the graphical representation;
- (c) for insurance undertakings and reinsurance undertakings that carry out non-life underwriting activities, the key performance indicator may be a combination of the investment and the underwriting key performance indicators in accordance Article 6 of Delegated Regulation (EU) 2021/2178.

Article 56

Information for financial products that promote social characteristics

For financial products that promote environmental or social characteristics that included a commitment in sustainable investments with a social objective, the section 'What was the proportion of sustainability-related investments?' in the template set out in Annex IV shall contain the share of those sustainable investments.

*Article 57***Sustainable performance of the index designated as a benchmark for environmental or social characteristics**

1. In the section ‘How did this financial product perform compared to the designated reference benchmark?’ in the template set out in Annex IV to this Regulation, financial market participants shall, for financial products that promote environmental or social characteristics, provide all of the following information:
 - (a) an explanation of how the index designated as a reference benchmark differs from a relevant broad market index, including the performance, during the period covered by the periodic report, of the sustainability indicators deemed relevant by the financial market participant to determine the alignment of the index with the environmental or social characteristics promoted by the financial product and the ESG factors referred to in the benchmark statement published by the benchmark administrator in accordance with Article 27(1) of Regulation (EU) 2016/1011;
 - (b) a comparison between the performance of the financial product and the indicators measuring the sustainability factors of the index referred to in point (a) during the period covered by the periodic report;
 - (c) a comparison between the performance of the financial product and a relevant broad market index during the period covered by the periodic report.
2. The comparisons referred to in paragraph 1, points (b) and (c), shall be presented, where relevant, either in the form of a table or in the form of a graphical representation.

SECTION 2

Sustainable investment as objective*Article 58***Presentation and content requirements for periodic reports for financial products that have sustainable investment as their objective**

For financial products that have sustainable investment as their objective, financial market participants shall present the information referred to in Article 11(1) of Regulation (EU) 2019/2088 in an annex to the document or information referred to in Article 11(2) of that Regulation in the form of the template set out in Annex V to this Regulation. Financial market participants shall include in the main body of the document or information referred to in Article 11(2) of Regulation (EU) 2019/2088 a prominent statement that information on sustainable investment is available in that Annex.

*Article 59***Attainment of the sustainable investment objective of the financial product**

In the section ‘To what extent was the sustainable investment objective of this financial product met?’ in the template set out in Annex V, financial market participants shall provide all of the following information:

- (a) the extent to which the sustainable investment objective was attained during the period covered by the periodic report, including the performance of:
 - (i) the sustainability indicators referred to in the subsection ‘What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?’ of the section ‘What is the sustainable investment objective of this financial product?’ in the template set out in Annex III to this Regulation;

- (ii) any derivatives referred to in the subsection 'How does the use of derivatives attain the sustainable investment objective?' of the section 'What is the asset allocation and the minimum share of sustainable investments?' in the template set out in Annex III to this Regulation used to attain the sustainable investment objective;
- (b) for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852, an identification of the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed;
- (c) for the financial products referred to in Article 9(3) of Regulation (EU) 2019/2088, information on how the objective of a reduction in carbon emissions was aligned with the Paris Agreement, containing a description of the contribution of the financial product during the period covered by the periodic report to achieve the 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 Delegated Regulation (EU) 2020/1818;
- (d) where the financial market participants have provided at least one previous periodic report in accordance with this Section for the financial product, a historical comparison between the current period covered by the periodic report and previous periods;
- (e) an explanation of how the sustainable investments have contributed to a sustainable investment objective and have not harmed significantly any of the sustainable investment objectives during the period covered by the periodic report, including all of the following:
 - (i) how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex, were taken into account;
 - (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;
- (f) information on principal adverse impacts on sustainability factors as referred to in in the section 'Does this financial product consider principal adverse impacts on sustainability factors?' in the template set out in Annex III to this Regulation.

Article 60

Top investments for financial products that have sustainable investment as their objective

1. In the section 'What were the top investments of this financial product?' in the template set out in Annex V, financial market participants shall list, in descending order of size, the fifteen investments constituting the largest proportion of investments of the financial product during the period covered by the periodic report, including the sectors and countries of those investments.
2. By way of derogation from paragraph 1, where the number of investments constituting fifty percent of the investments of the financial product during the period covered by the periodic report is less than fifteen, the section referred to in paragraph 1 shall contain a list of those investments, in descending order of size, including the sectors and countries in which those investments were made.

Article 61

Proportion of sustainability-related investments for financial products that have sustainable investment as their objective

In the section 'What was the proportion of sustainability-related investments?' in the template set out in Annex V, financial market participants shall provide all of the following information:

- (a) the proportions of the investments of the financial product that contributed to the sustainable investment objective;

- (b) the purpose of the remainder of the investments during the period covered by the periodic report, including a description of any minimum environmental or social safeguards and whether those investments are used for hedging or relate to cash held as ancillary liquidity;
- (c) the proportion of investments during the period covered by the periodic report in different sectors and sub-sectors.

Article 62

Information on sustainable investments for financial products with the objective of sustainable investment

1. For the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852, the section ‘What was the proportion of sustainability-related investments?’ in the template set out in Annex V shall contain all of the following information:

- (a) a breakdown in accordance with Article 55(1), point (a);
- (b) a description of the sustainable investments in environmentally sustainable economic activities during the period covered by the periodic report, including:
 - (i) the information in accordance with Article 55(1), point (b)(i);
 - (ii) a graphical representation in the form of a bar chart in accordance with Article 55(1), point (b)(ii);
 - (iii) a graphical representation in the form of a bar chart in accordance with Article 55(1), point (b)(iii);
 - (iv) the information referred to in Article 15(1), point (b);
 - (v) a breakdown in accordance with Article 55(1), point (b)(v);
 - (vi) where the financial product invested in sustainable investments with an environmental objective but that are not environmentally sustainable economic activities, a clear explanation of the reasons for doing so;
 - (vii) where the financial market participant has provided at least one previous periodic report in accordance with this Section for the financial product, a historical comparison of the degree to which the investments were made in environmentally sustainable economic activities during the period covered by the periodic report and during previous periods;
- (c) a narrative explanation in accordance with Article 55(1), point (b)(viii);
- (d) for financial products having sustainable investments with a social objective, the section ‘What was the share of socially sustainable investments during the period covered by the periodic report’ in the template set out in Annex V shall also contain the share of those sustainable investments.

2. For the purposes of paragraph 1, point (b)(ii) and point (b)(iii), financial market participants shall apply Article 55(2).

Article 63

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

1. In the section ‘How did this financial product perform compared to the reference sustainable benchmark?’ in the template set out in Annex V, financial market participants shall, for financial products that have sustainable investment as their objective and for which an index has been designated as a reference benchmark, provide all of the following information:

- (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 period covered by the periodic report 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 published by the benchmark administrator in accordance with Article 27(2a) of Regulation (EU) 2016/1011;
 - (b) a comparison between the performance of the financial product and the indicators measuring the sustainability factors of the index referred to in point (a) during the period covered by the periodic report;
 - (c) a comparison between the performance of the financial product and a relevant broad market index during the period covered by the periodic report.
2. The comparisons referred to in paragraph 1, points (b) and (c), shall be made either in the form of a table or in the form of a graphical representation.

SECTION 3

Historical comparisons for periodic reports

Article 64

Historical comparisons for periodic reports

1. Financial market participants shall, in the historical comparisons referred to in Article 51, point (c), Article 55(1), point (b)(vii), Article 59, point (d), and Article 62(1), point (b)(vii), compare the period covered by the periodic report with periods covered by previous periodic reports and, subsequently, with every previous period covered by a periodic report up to at least the last five previous periods.
2. For the purposes of the historical comparisons referred to in Article 51, point (c), and Article 59, point (d), financial market participants shall report on the performance of the sustainability indicators consistently over time, and shall provide all of the following information:
 - (a) where quantitative disclosures are made, figures with a relative measure such as impact per euro invested;
 - (b) which indicators are subject to an assurance provided by an auditor or a review by a third party;
 - (c) the proportion of underlying assets of the financial product referred to in the section 'What was the proportion of sustainability-related investments?' in the template set out in Annex IV to this Regulation and in the section 'What was the proportion of sustainability-related investments?' in the template set out in Annex V.

SECTION 4

Financial products with investment options

Article 65

Financial products with one or more underlying investment options that qualify those financial products as financial products that promote environmental or social characteristics

1. By way of derogation from Articles 50 to 57, where a financial product offers investment options to the investor and one or more of those investment options qualify that financial product as a financial product that promotes environmental or social characteristics, financial market participants shall insert in the main body of the document or information referred to in Article 11(2) of Regulation (EU) 2019/2088 a prominent statement confirming all of the following:

- (a) that the financial product promotes environmental or social characteristics;
- (b) that the attainment of those characteristics is subject to investing in at least one of the investment options referred to in paragraph 2 of this Article and holding at least one of those options during the holding period of the financial product;
- (c) that further information related to those environmental or social characteristics is available in the annexes referred to in paragraph 2 of this Article.

2. Financial market participants shall provide all of the following information in annexes to the document or information referred to in Article 11(2) of Regulation (EU) 2019/2088:

- (a) for each investment option invested in that qualifies as a financial product that promotes environmental or social characteristics, the information referred to in Articles 50 to 57 of this Regulation;
- (b) for each investment option invested in that qualifies as a financial product that has sustainable investment as its objective, the information referred to in Articles 58 to 63 of this Regulation;
- (c) for each investment option invested in that has sustainable investment as its objective and is not a financial product, the information on the objective of sustainable investment.

3. Financial market participants shall present the information referred to in paragraph 2, point (a), in the form of the template set out in Annex IV and the information referred to in paragraph 2, point (b), in the form of the template set out in Annex V.

Article 66

Financial products with underlying investment options that all have sustainable investment as their objectives

1. By way of derogation from Articles 58 to 63, where a financial product offers investment options to the investor and all of those investment options have sustainable investment as their objectives, financial market participants shall confirm in a prominent statement in the main body of the document or information referred to in Article 11(2) of Regulation (EU) 2019/2088 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 of this Article.

2. Financial market participants shall provide all of the following information in the annexes to the document or information referred to in Article 11(2) of Regulation (EU) 2019/2088:

- (a) for each investment option invested in that qualifies as a financial product that has sustainable investment as its objective, the information referred to in Articles 58 to 63;
- (b) for each investment option invested in that has sustainable investment as its objective and is not a financial product, the information on the objective of the sustainable investment.

3. Financial market participants shall present the information referred to in paragraph 2, point (a), in the form of the template set out in Annex V.

Article 67

Information on underlying investment options that have sustainable investment as their objective and are not themselves financial products

The information on the objective of the sustainable investment referred to in Article 65(2), point (c), and Article 66(2), point (b), shall contain all of the following:

- (a) a description of the sustainable investment objective;

- (b) the extent to which the sustainable investment objective was attained during the period covered by the periodic report, including the performance of the sustainability indicators used to measure the overall sustainable impacts of the options that have sustainable investment as their objective;
- (c) a description of how the investments do not significantly harm any of the sustainable investment objectives, including all of the following:
 - (i) how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of that Annex, are taken into account;
 - (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 VI

FINAL PROVISIONS

Article 68

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall apply from 1 January 2023.

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

Done at Brussels, 6 April 2022.

For the Commission
The President
Ursula VON DER LEYEN

Template principal adverse sustainability impacts statement

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

- (1) 'scope 1, 2 and 3 GHG emissions' means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council ⁽¹⁾;
- (2) 'greenhouse gas (GHG) emissions' means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council ⁽²⁾;
- (3) 'weighted average' means a ratio of the weight of the investment by the financial market participant in an investee company in relation to the enterprise value of the investee company;
- (4) 'enterprise value' means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (5) 'companies active in the fossil fuel sector' means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council ⁽³⁾;
- (6) 'renewable energy sources' means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;
- (7) 'non-renewable energy sources' means energy sources other than those referred to in point (6);
- (8) '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;
- (9) '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 ⁽⁴⁾;
- (10) 'protected area' means designated areas in the European Environment Agency's Common Database on Designated Areas (CDDA);
- (11) 'area of high biodiversity value outside protected areas' means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council ⁽⁵⁾;

⁽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).

⁽²⁾ 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 (OJ L 156, 19.6.2018, p. 26).

⁽³⁾ 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).

⁽⁴⁾ 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 Text with EEA relevance (OJ L 393, 30.12.2006, p. 1).

⁽⁵⁾ 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).

- (12) 'emissions to water' means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council ⁽⁶⁾ and direct emissions of nitrates, phosphates and pesticides;
- (13) 'areas of high water stress' means regions where the percentage of total water withdrawn is high (40-80 %) or extremely high (greater than 80 %) in the World Resources Institute's (WRI) Water Risk Atlas tool 'Aqueduct';
- (14) 'hazardous waste and radioactive waste' means hazardous waste and radioactive waste;
- (15) 'hazardous waste' means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council ⁽⁷⁾;
- (16) 'radioactive waste' means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom ⁽⁸⁾;
- (17) 'non-recycled waste' means any waste not recycled within the meaning of 'recycling' in Article 3(17) of Directive 2008/98/EC;
- (18) 'activities negatively affecting biodiversity-sensitive areas' means activities that are characterised by all of the following:
- (a) those activities lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated;
 - (b) for those activities, none of the conclusions, mitigation measures or impact assessments adopted pursuant to any of the following Directives or national provisions or international standards that are equivalent to those Directives have been implemented:
 - (i) Directive 2009/147/EC of the European Parliament and of the Council ⁽⁹⁾;
 - (ii) Council Directive 92/43/EEC ⁽¹⁰⁾;
 - (iii) an Environmental Impact Assessment (EIA) as defined in Article 1(2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council ⁽¹¹⁾;
 - (iv) for activities located in third countries, conclusions, mitigation measures or impact assessments adopted in accordance with national provisions or international standards that are equivalent to the Directives and impact assessments listed in points (i), (ii) and (iii);
- (19) '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 Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139 ⁽¹²⁾;
- (20) 'threatened species' means endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Delegated Regulation (EU) 2021/2139;
- (21) 'deforestation' means the temporary or permanent human-induced conversion of forested land to non-forested land;
- (22) 'UN Global Compact principles' means the ten Principles of the United Nations Global Compact;

⁽⁶⁾ 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).

⁽⁷⁾ 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).

⁽⁸⁾ Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

⁽⁹⁾ 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).

⁽¹⁰⁾ 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).

⁽¹¹⁾ Directive 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 26, 28.1.2012, p. 1).

⁽¹²⁾ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 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 (OJ L 442, 9.12.2021, p. 1).

- (23) '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 average gross hourly earnings of male paid employees;
- (24) 'board' means the administrative, management or supervisory body of a company;
- (25) 'human rights policy' means a policy commitment approved at board level on human rights that the economic activities of the investee company shall be in line with the UN Guiding Principles on Business and Human Rights;
- (26) 'whistleblower' means 'reporting person' as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council ⁽¹³⁾;
- (27) 'inorganic pollutants' means emissions within or lower than the emission levels associated with the best available techniques (BAT-AEL) as defined in Article 3, point (13) of Directive 2010/75/EU of the European Parliament and of the Council ⁽¹⁴⁾, for the Large Volume Inorganic Chemicals- Solids and Others industry;
- (28) 'air pollutants' means direct emissions of sulphur dioxides (SO₂), nitrogen oxides (NO_x), non-methane volatile organic compounds (NMVOC), and fine particulate matter (PM_{2,5}) as defined in Article 3, points (5) to (8), of Directive (EU) 2016/2284 of the European Parliament and of the Council ⁽¹⁵⁾, ammonia (NH₃) as referred to in that Directive and heavy metals (HM) as referred to in Annex I to that Directive;
- (29) 'ozone depletion substances' mean substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.

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

- (1) 'GHG emissions' shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$$

- (2) 'carbon footprint' shall be calculated in accordance with the following formula:

$$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope 1, 2 and 3 GHG emissions}_i \right)}{\text{current value of all investments (€M)}}$$

- (3) 'GHG intensity of investee companies' shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{investee company's Scope 1, 2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$$

⁽¹³⁾ 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 L 305, 26.11.2019, p. 17).

⁽¹⁴⁾ 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).

⁽¹⁵⁾ 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).

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

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{The country's Scope 1, 2 and 3 GHG emissions}_i}{\text{Gross Domestic Product}_i(\text{€M})} \right)$$

(5) 'inefficient real estate assets' shall be calculated in accordance with the following formula:

$$\frac{((\text{Value of real estate assets built before 31/12/2020 with EPC of C or below}) + (\text{Value of real estate assets built after 31/12/2020 with PED below NZEB in Directive 2010/31/EU}))}{\text{Value of real estate assets required to abide by EPC and NZEB rules}}$$

For the purposes of the formulas, the following definitions shall apply:

- (1) 'current value of investment' means the value in EUR of the investment by the financial market participant in the investee company;
- (2) 'enterprise value' means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (3) 'current value of all investments' means the value in EUR of all investments by the financial market participant;
- (4) 'nearly zero-energy building (NZEB)', 'primary energy demand (PED)' and 'energy performance certificate (EPC)' shall have the meanings given to them in paragraphs 2, 5 and 12 of Article 2 of Directive 2010/31/EU of the European Parliament and of the Council ⁽¹⁶⁾.

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

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 statement on principal adverse impacts on sustainability factors of [name of the financial market participant] [where applicable, insert 'and its subsidiaries, namely [list the subsidiaries included]'].

This statement on principal adverse impacts on sustainability factors 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 1 thereof]

Description of the principal adverse impacts on sustainability factors

[Information referred to in Article 7 in the format set out below]

⁽¹⁶⁾ 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).

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
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CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions				
		Scope 2 GHG emissions				
		Scope 3 GHG emissions				
		Total GHG emissions				
	2. Carbon footprint	Carbon footprint				
	3. GHG intensity of investee companies	GHG intensity of investee companies				
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector				
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources				
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector				
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas				

Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average				
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average				

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

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises				
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	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 Guidelines for Multinational Enterprises				
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies				
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members				
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons				

Indicators applicable to investments in sovereigns and supnationals

Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries			
Social	16. 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, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels			
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets			

Other indicators for principal adverse impacts on sustainability factors

[Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (a) in the format in Table 2]

[Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (b), in the format in Table 3]

[Information on any other adverse impacts on sustainability factors used to identify and assess additional principal adverse impacts on a sustainability factor referred to in Article 6(1), point (c), in the format in Table 2 or Table 3]

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

[Information referred to in Article 7]

Engagement policies

[Information referred to in Article 8]

References to international standards

[Information referred to in Article 9]

Historical comparison

[Information referred to in Article 10]

Table 2

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
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Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Emissions	1. Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average
	2. Emissions of air pollutants	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average
	3. Emissions of ozone-depleting substances	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average
	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement

Energy performance	5. 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
Water, waste and material emissions	6. Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies 2. Weighted average percentage of water recycled and reused by investee companies
	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy
	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006
	10. Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing
	11. Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies
	12. Investments in companies without sustainable oceans/seas practices	Share of investments in investee companies without sustainable oceans/seas practices or 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 issued under Union legislation on environmentally sustainable bonds	Share of securities in investments not issued under Union legislation on environmentally sustainable bonds

Indicators applicable to investments in sovereigns and supranationals

Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds
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Indicators applicable to investments in real estate assets

Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets
		Scope 2 GHG emissions generated by real estate assets
		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

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

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
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Indicators applicable to investments in investee companies

Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average
	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)

	5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies 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	<ol style="list-style-type: none"> 1. Number of incidents of discrimination reported in investee companies expressed as a weighted average 2. 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 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 in terms of geographic areas and/or the type of operation
14. Number of identified cases of severe human rights issues and incidents	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

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

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.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

Product name: [complete]

Legal entity identifier: [complete]

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

Yes

No

It will make a minimum of sustainable investments with an environmental objective: ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: ___%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product? *[indicate the environmental and/or social characteristics promoted by the financial product and whether a reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?** *[include, for financial products that make sustainable investments, a description of the objectives and how the sustainable investments contribute to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes]*



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

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective? *[include a description for the financial product that partially intends to make sustainable investments]*

How have the indicators for adverse impacts on sustainability factors been taken into account? *[include an explanation of 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]*

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? *Details: [include an explanation on the alignment 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]*

[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes, _____ *[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]*

No

What investment strategy does this financial product follow? *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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



Asset allocation describes the share of investments in specific assets.

[Include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

- **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?**

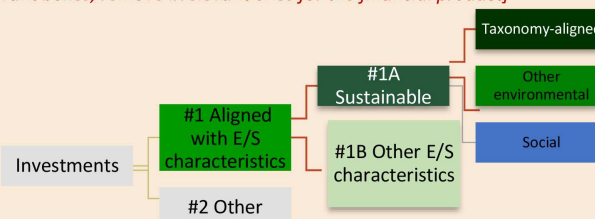
- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?** *[include an indication of the rate, where there is a commitment to reduce the scope of investments by a minimum rate]*

- **What is the policy to assess good governance practices of the investee companies?** *[include a short description of the policy to assess good governance practices of the investee companies]*

What is the asset allocation planned for this financial product? *[include a narrative explanation of the investments of the financial product, including the minimum proportion of the investments of the financial product used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy, including the minimum proportion of sustainable investments of the financial product where that financial products commits to making sustainable investments, and the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards]*

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?** *[for financial products that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain the environmental or social characteristics they promote, describe how the use of those derivatives meets those characteristics]*

[Include only relevant boxes, remove irrelevant ones for the 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.

#2Other 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]

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


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

[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

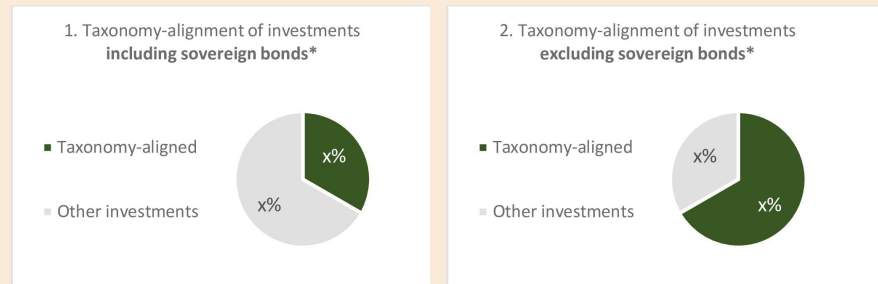
[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy? *[include a section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 15(1), point (a), of this Regulation, the description referred to in Article 15(1), point (b), of this Regulation, a clear explanation as referred to in Article 15(1), point (c), of this Regulation, a narrative explanation as referred to in Article 15(1), point (d), of this Regulation and the information referred to in Article 15(3) of this Regulation]*

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities? *[include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy? *[include section only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned]*



What is the minimum share of socially sustainable investments? *[include section only where the financial product includes sustainable investments with a social objective]*



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



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

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

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? *[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]*

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
- **How does the designated index differ from a relevant broad market index?**
- **Where can the methodology used for the calculation of the designated index be found?**



Where can I find more product specific information online?

More product-specific information can be found on the website: *[include a hyperlink to the website referred to in Article 23 of this Regulation]*

ANNEX III

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

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.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Product name: [complete]

Legal entity identifier: [complete]

Sustainable investment objective

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes		<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> No	
<input type="checkbox"/>	It will make a minimum of sustainable investments with an environmental objective: ___% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/>	It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/>	It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/>	It promotes E/S characteristics, but will not make any sustainable investments



What is the sustainable investment objective of this financial product? *[indicate the investment objective pursued by the financial product, describe how the sustainable investments contribute to a sustainable investment objective and indicate whether a reference benchmark has been designated for the purpose of attaining the sustainable investment objective. For financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes. For financial products referred to in Article 9(3) of Regulation (EU) 2019/2088, indicate that the financial product has the objective of reducing carbon emissions and explain that the reference benchmark qualifies as an EU Climate Transition Benchmark or an EU Paris-aligned Benchmark under Title III, Chapter 3a, of Regulation (EU) 2016/1011 and indicate where the methodology used for the calculation of that benchmark can be found. Where no EU Climate Transition Benchmark or EU Paris-aligned Benchmark as qualified in accordance with Regulation (EU) 2016/1011 is available, describe that fact, how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the objectives of the Paris Agreement and the extent to which the financial product complies with the methodological requirements set out in Commission Delegated Regulation (EU) 2020/1818]*

- **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**
- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

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

How have the indicators for adverse impacts on sustainability factors been taken into account? *[explain 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]*

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? *[include an explanation on the alignment 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]*



Does this financial product consider principal adverse impacts on sustainability factors?



Yes *[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]*



No



What investment strategy does this financial product follow? *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

The investment strategy guides 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 the sustainable investment objective?**

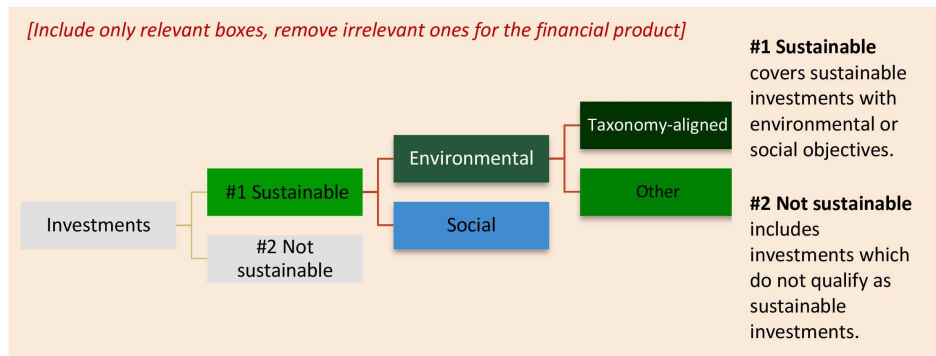
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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



What is the asset allocation and the minimum share of sustainable investments? *[include a narrative explanation of the investments of the financial product including the minimum proportion of the investments of the financial product used to meet the sustainable investment objective in accordance with the binding elements of the investment strategy]*

Asset allocation describes the share of investments in specific assets.



[include note only for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● **How does the use of derivatives attain the sustainable investment objective?** *[for financial product that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain their sustainable investment objective, describe how the use of those derivatives attains that sustainable investment objective]*



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy? *[include the section for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 19(1), point (a), of this Regulation, the description referred to in Article 19(1), point (b), of this Regulation, the clear explanation referred to in Article 19(1), point (c), of this Regulation, the narrative explanation referred to in Article 19(1), point (d), of this Regulation and the information referred to in Article 15(4) of this Regulation]*

[include note only for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

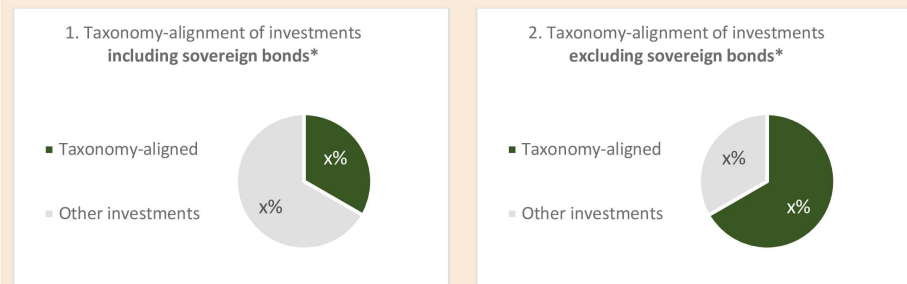
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[include note for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]



are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **What is the minimum share of investments in transitional and enabling activities?** *[include section for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]*
- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?** *[include section only for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in environmental economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned]*
- **What is the minimum share of sustainable investments with a social objective?** *[include section only where the financial product includes sustainable investments with a social objective]*
- **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?** *[describe 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 or relate to cash held as ancillary liquidity]*



Is a specific index designated as a reference benchmark to meet the sustainable investment objective? *[include section only for the financial products referred to in Article 9(1) of Regulation (EU) 2019/2088 and indicate where the methodology used for the calculation of the designated index can be found]*

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

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
- **How does the designated index differ from a relevant broad market index?**
- **Where can the methodology used for the calculation of the designated index be found?**



Where can I find more product specific information online?

More product-specific information can be found on the website: *[include a hyperlink to the website referred to in Article 23 of this Regulation]*

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: [complete]

Legal entity identifier: [complete]

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.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective : ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective : ___%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

To what extent were the environmental and/or social characteristics promoted by this financial product met? *[list the environmental and/or social characteristics promoted by the financial product. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed. For financial products that made sustainable investments with social objectives, list the social objectives]*

● **How did the sustainability indicators perform?**

- **...and compared to previous periods?** *[include for financial products where at least one previous periodic report was provided]*

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?** *[include for financial products that made sustainable investments, where not included in the reply to the above question, describe the objectives. Describe how the sustainable investments contributed to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed]*

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?** *[include where the financial product includes sustainable investments]*

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

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

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

[Include a statement for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors? *[include section if the financial product considered principal adverse impacts on sustainability factors]*



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]**

Largest investments	Sector	% Assets	Country

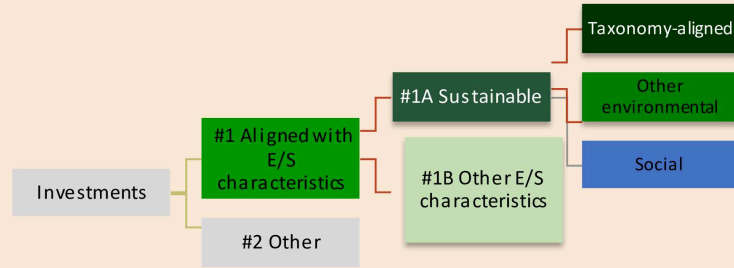


What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?**

[Include only relevant boxes, remove irrelevant ones for the 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.

#2Other 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 made sustainable investments]

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

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

[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

Taxonomy-aligned activities are expressed as a share of:

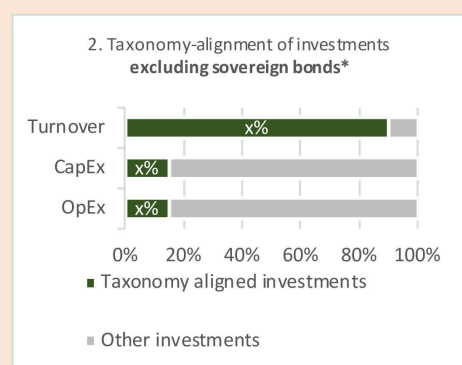
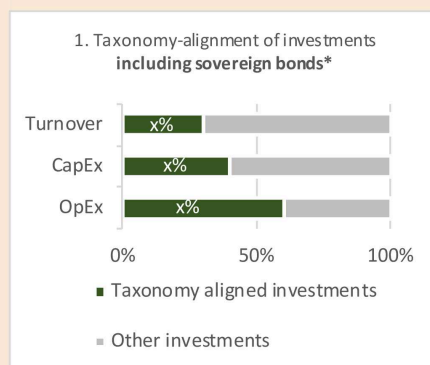
- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

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



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy? [include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include information in accordance with Article 51 of this Regulation]

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are

activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of investments made in transitional and enabling activities?** *[include a breakdown of the proportions of investments during the reference period]*

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?** *[include where at least one previous periodic report was provided]*



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy? *[include section only for the financial products referred to in Article 6, first subparagraph, of Regulation (EU) 2020/852 where the financial product included sustainable investments with an environmental objective that invested in economic activities that are not environmentally sustainable economic activities, and explain why the financial product invested in economic activities that were not Taxonomy-aligned]*



What was the share of socially sustainable investments? *[include only where the financial product included sustainable investments with a social objective]*



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



What actions have been taken to meet the environmental and/or social characteristics during the reference period? *[list the actions taken within in the period covered by the periodic report to meet the environmental or social characteristics promoted by the financial product, including shareholder engagement as referred to in Article 3g of Directive 2007/36/EC and any other engagement relating to the environmental or social characteristics promoted by the financial product]*



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

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

How did this financial product perform compared to the reference benchmark? *[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]*

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

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: [complete]

Legal entity identifier: [complete]

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.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Did this financial product have a sustainable investment objective? [tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]

<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective : ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective : ___%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

To what extent was the sustainable investment objective of this financial product met? [list the sustainable investment objective of this financial product, and describe how the sustainable investments contributed to the sustainable investment objective. For the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, indicate to which environmental objectives set out in Article 9 of Regulation (EU) 2020/852 to the investment underlying the financial product contributed to. For the financial products referred to in Article 9(3) of Regulation (EU) 2019/2088, indicate how the objective of a reduction in carbon emissions was aligned with the Paris Agreement]

● **How did the sustainability indicators perform?**

**Sustainability**

indicators measure how the sustainable objectives of this financial product are attained.

- **...and compared to previous periods?** *[include for financial products where at least one previous periodic report was provided]*

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

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?** *[include where the financial product includes sustainable investments]*

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

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:



- **How did this financial product consider principal adverse impacts on sustainability factors?** *[include section if the financial product considered principal adverse impacts on sustainability factors]*



- **What were the top investments of this financial product?**

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

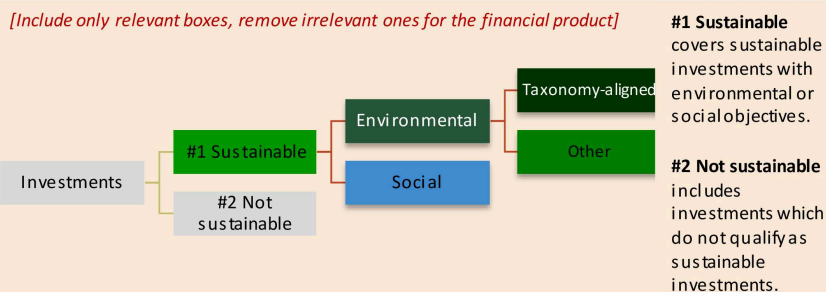
Largest investments	Sector	% Assets	Country



What was the proportion of sustainability-related investments?

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



[include note only for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

In which economic sectors were the investments made?



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy? *[include section for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 and include information in accordance with Article 59 of this Regulation]*

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

[include note for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852.

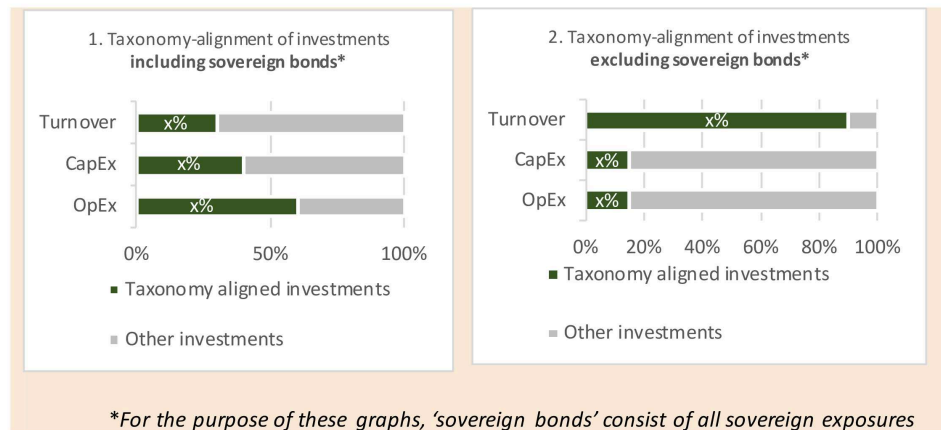
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

[include note for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



● **What was the share of investments made in transitional and enabling activities?** *[include a breakdown of the proportions of investments during the reference period]*

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?** *[include where at least one previous periodic report was provided]*



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy? *[include only for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 where the financial product included investments with an environmental objective that invested in economic activities that are not environmentally sustainable economic activities and explain why the financial product invested in economic activities that were not taxonomy-aligned]*



What was the share of socially sustainable investments? *[include only where the financial product includes sustainable investments with a social objective]*



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?



What actions have been taken to attain the sustainable investment objective during the reference period? *[list the actions taken within the period covered by the periodic report to attain the sustainable investment objective of the financial product, including shareholder engagement as referred to in Article 3g of Directive 2007/36/EC and any other engagement relating to the sustainable investment objective]*



How did this financial product perform compared to the reference sustainable benchmark? *[include section only for the financial products referred to in Article 9(1) of Regulation (EU) 2019/2088 and indicate where the methodology used for the calculation of the designated index can be found]*

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

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

- ***How did the reference benchmark differ from a broad market index?***
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***
- ***How did this financial product perform compared with the reference benchmark?***
- ***How did this financial product perform compared with the broad market index?***

COMMISSION IMPLEMENTING REGULATION (EU) 2022/1289**of 18 July 2022****entering a name in the register of protected designations of origin and protected geographical indications ‘Hrušovský lepník’ (PGI)**

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs ⁽¹⁾, and in particular Article 52(2) thereof,

Whereas:

- (1) Pursuant to Article 50(2)(a) of Regulation (EU) No 1151/2012, Slovakia's application to register the name ‘Hrušovský lepník’ was published in the *Official Journal of the European Union* ⁽²⁾.
- (2) As no statement of opposition under Article 51 of Regulation (EU) No 1151/2012 has been received by the Commission, the name ‘Hrušovský lepník’ should therefore be entered in the register,

HAS ADOPTED THIS REGULATION:

Article 1

The name ‘Hrušovský lepník’ (PGI) is hereby entered in the register.

The name specified in the first paragraph denotes a product in Class 2.3. – bread, pastry, cakes, confectionery, biscuits and other baker's wares, as listed in Annex XI to Commission Implementing Regulation (EU) No 668/2014 ⁽³⁾.*Article 2*This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

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

Done at Brussels, 18 July 2022.

For the Commission,
On behalf of the President,
Janusz WOJCIECHOWSKI
Member of the Commission

⁽¹⁾ OJ L 343, 14.12.2012, p. 1.

⁽²⁾ OJ C 154, 8.4.2022, p. 19.

⁽³⁾ Commission Implementing Regulation (EU) No 668/2014 of 13 June 2014 laying down rules for the application of Regulation (EU) No 1151/2012 of the European Parliament and of the Council on quality schemes for agricultural products and foodstuffs (OJ L 179, 19.6.2014, p. 36).

COMMISSION REGULATION (EU) 2022/1290

of 22 July 2022

amending Annexes II, III and IV to Regulation (EC) No 396/2005 of the European Parliament and of the Council as regards maximum residue levels for ametoctradin, chlormequat, dodine, nicotine, profenofos and *Spodoptera exigua multicapsid nucleopolyhedrovirus* (SeMNPV) isolate BV-0004 in or on certain products

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EC) No 396/2005 of the European Parliament and of the Council of 23 February 2005 on maximum residue levels of pesticides in or on food and feed of plant and animal origin and amending Council Directive 91/414/EEC ⁽¹⁾, and in particular Article 5(1) and Article 14(1)(a) thereof,

Whereas:

- (1) For ametoctradin and dodine, maximum residue levels ('MRLs') were set in Annex II to Regulation (EC) No 396/2005. For chlormequat and nicotine, MRLs were set in Part A of Annex III to that Regulation. For profenofos, MRLs were set in Annex II and Part B of Annex III to that Regulation. For *Spodoptera exigua multicapsid nucleopolyhedrovirus* (SeMNPV) isolate BV-0004 no specific MRLs were set in Regulation (EC) No 396/2005 nor was that substance included in Annex IV to that Regulation, so the default value of 0,01 mg/kg laid down in Article 18(1)(b) thereof applies.
- (2) In the context of a procedure for the authorisation of the use of a plant protection product containing the active substance ametoctradin on crops that might be attractive to bees and that might result in residues in honey, an application pursuant to Article 6(1) of Regulation (EC) No 396/2005 requesting a modification of the existing MRL for honey was submitted.
- (3) As regards dodine, an application pursuant to Article 6(1) of Regulation (EC) No 396/2005 requesting a modification of the existing MRLs was submitted for citrus fruits.
- (4) In accordance with Article 8 of Regulation (EC) No 396/2005, both of those applications were evaluated by the Member States concerned and the evaluation reports were forwarded to the Commission.
- (5) The European Food Safety Authority ('the Authority') assessed the applications and the evaluation reports, examining in particular the risks to the consumer and, where relevant, to animals, and gave reasoned opinions on the proposed MRLs ⁽²⁾. It forwarded those opinions to the applicants, the Commission and the Member States and made them available to the public.
- (6) The Authority concluded that all requirements with respect to completeness of data submission were met, and that the modifications to the MRLs requested by the applicants were acceptable with regard to consumer safety on the basis of a consumer exposure assessment for 27 specific European consumer groups. In so concluding, the Authority took into account the most recent information on the toxicological properties of the substances. Neither the lifetime exposure to these substances via consumption of all food products that may contain them, nor the short-term exposure due to high consumption of the relevant products showed that there is a risk that the acceptable daily intake or the acute reference dose is exceeded.

⁽¹⁾ OJ L 70, 16.3.2005, p. 1.

⁽²⁾ EFSA scientific reports available online: <http://www.efsa.europa.eu>

Reasoned Opinion on the modification of the existing maximum residue level for ametoctradin in honey. *EFSA Journal* 2021;19(11):6943.

Reasoned Opinion on the modification of the existing maximum residue levels for dodine in citrus fruits. *EFSA Journal* 2021;19(11):6950.

- (7) For chlormequat, temporary MRLs were set by Commission Regulation (EU) 2019/1561 ⁽³⁾ for oyster mushrooms and by Commission Regulation (EU) 2017/693 ⁽⁴⁾ for cultivated fungi at 6 mg/kg and 0,9 mg/kg respectively. Those temporary MRLs were set based on monitoring data showing that residues occurred on untreated cultivated fungi at a level higher than the limit of determination due to cross-contamination of cultivated fungi with straw lawfully treated with chlormequat. Those temporary MRLs were set until 13 April 2021, pending the submission of monitoring data on the occurrence of that substance in the concerned products.
- (8) The Authority and food business operators submitted recent monitoring data showing that residues of chlormequat still occur in oyster mushrooms and cultivated fungi at levels higher than the limit of determination. Mushroom growers notified the Commission of one ongoing study to assess levels of contamination of oyster mushrooms and other cultivated fungi. Since the study will be concluded in 2022 and the collected data will then be submitted to the Commission, it is appropriate to continue to extend the validity of those temporary MRLs for one year from the publication of this Regulation.
- (9) Temporary MRLs for chlormequat were also set by Regulation (EU) 2017/693 for pears at 0,07 mg/kg, due to monitoring data showing persistence in the trees as a consequence of former uses. The temporary MRL was set until 13 April 2021, pending the submission of monitoring data on the occurrence of this substance in the concerned product. The Authority, Member States and food business operators submitted recent monitoring data showing that residues of this substance at levels higher than the limit of determination still occur in pears. It is therefore appropriate to continue to monitor the levels of chlormequat in pears and to extend the validity of that temporary MRL for seven years from the publication of this Regulation.
- (10) For nicotine, temporary MRLs were set by Commission Regulation (EU) 2017/978 ⁽⁵⁾ for wild fungi (dried ceps and dried wild mushrooms other than ceps) until 19 October 2021, pending the submission and evaluation of new data and information on the natural occurrence or formation of nicotine in the concerned products. Scientific evidence is not conclusive to demonstrate that nicotine occurs naturally in the concerned products and to elucidate the mechanism of formation. The Authority and food business operators submitted recent monitoring data showing that residues of this substance still occur in those products at levels higher than the limit of determination. It is therefore appropriate to continue to monitor the levels of nicotine in those products and to extend the validity of those temporary MRLs for seven years from the publication of this Regulation.
- (11) For profenofos, a temporary MRL was set by Regulation (EU) 2017/978 for rose petals until 18 October 2021, pending the submission of monitoring data on the occurrence of this substance in the concerned product. The Authority and food business operators submitted recent monitoring data showing that residues of this substance still occur at levels higher than the limit of determination in rose petals. It is therefore appropriate to continue to monitor the levels of profenofos in rose petals and to extend the validity of that temporary MRL for seven years from the publication of this Regulation.
- (12) An application for approval of the active substance *Spodoptera exigua multicapsid nucleopolyhedrovirus* (SeMNPV) isolate BV-0004 was submitted to a Member State in accordance with Article 7 of Regulation (EC) No 1107/2009 of the European Parliament and of the Council ⁽⁶⁾. The application was evaluated by the Member State concerned in accordance with Article 11(2) of that Regulation. The Authority assessed the application and delivered a conclusion

⁽³⁾ Commission Regulation (EU) 2019/1561 of 17 September 2019 amending Annexes II and III to Regulation (EC) No 396/2005 of the European Parliament and of the Council as regards maximum residue levels for chlormequat in cultivated fungi (OJ L 240, 18.9.2019, p. 1).

⁽⁴⁾ Commission Regulation (EU) 2017/693 of 7 April 2017 amending Annexes II, III and V to Regulation (EC) No 396/2005 of the European Parliament and of the Council as regards maximum residue levels for bitertanol, chlormequat and tebufenpyrad in or on certain products (OJ L 101, 13.4.2017, p. 1).

⁽⁵⁾ Commission Regulation (EU) 2017/978 of 9 June 2017 amending Annexes II, III and V to Regulation (EC) No 396/2005 of the European Parliament and of the Council as regards maximum residue levels for fluopyram; hexachlorocyclohexane (HCH), alpha-isomer; hexachlorocyclohexane (HCH), beta-isomer; hexachlorocyclohexane (HCH), sum of isomers, except the gamma isomer; lindane (hexachlorocyclohexane (HCH), gamma-isomer); nicotine and profenofos in or on certain products (OJ L 151, 14.6.2017, p. 1).

⁽⁶⁾ Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1).

on the peer review of the pesticide risk assessment of the active substance ⁽⁷⁾, where it indicated *Spodoptera exigua multicapsid nucleopolyhedrovirus* (SeMNPV) isolate BV-0004 as eligible for inclusion in Annex IV of Regulation (EC) No 396/2005. It is therefore appropriate to include that substance in Annex IV to Regulation (EC) No 396/2005.

- (13) Based on the reasoned opinions and the conclusion of the Authority and taking into account the relevant factors listed in Article 14(2) of Regulation (EC) No 396/2005, the proposed modifications to the MRLs fulfil the requirements of Article 14(2) of Regulation (EC) No 396/2005.
- (14) Regulation (EC) No 396/2005 should therefore be amended accordingly.
- (15) The measures provided for in this Regulation are in accordance with the opinion of the Standing Committee on Plants, Animals, Food and Feed,

HAS ADOPTED THIS REGULATION:

Article 1

Annexes II, III and IV to Regulation (EC) No 396/2005 are amended in accordance with the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

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

Done at Brussels, 22 July 2022.

For the Commission
The President
Ursula VON DER LEYEN

⁽⁷⁾ Conclusion on the peer review of the pesticide risk assessment of the active substance *Spodoptera exigua multicapsid nucleopolyhedrovirus* (SeMNPV). *EFSA Journal* 2021;19(10):6848.

ANNEX

Annexes II, III and IV to Regulation (EC) No 396/2005 are amended as follows:

(1) in Annex II, the columns for ametoctradin and dodine are replaced by the following:

'Annex II

Pesticide residues and maximum residue levels (mg/kg)

Code number	Groups and examples of individual products to which the MRLs apply ⁽⁴⁾	Ametoctradin (R) (F)	Dodine
0100000	FRUITS, FRESH or FROZEN; TREE NUTS		
0110000	Citrus fruits	0,01 (*)	1,5
0110010	Grapefruits		
0110020	Oranges		
0110030	Lemons		
0110040	Limes		
0110050	Mandarins		
0110990	Others (2)		
0120000	Tree nuts	0,01 (*)	0,01 (*)
0120010	Almonds		
0120020	Brazil nuts		
0120030	Cashew nuts		
0120040	Chestnuts		
0120050	Coconuts		
0120060	Hazelnuts/cobnuts		
0120070	Macadamias		
0120080	Pecans		
0120090	Pine nut kernels		

0120100	Pistachios		
0120110	Walnuts		
0120990	Others (2)		
0130000	Pome fruits	0,01 (*)	
0130010	Apples		0,9
0130020	Pears		0,9
0130030	Quinces		5
0130040	Medlars		5
0130050	Loquats/Japanese medlars		5
0130990	Others (2)		0,9
0140000	Stone fruits	0,01 (*)	
0140010	Apricots		0,1
0140020	Cherries (sweet)		3
0140030	Peaches		0,1
0140040	Plums		0,01 (*)
0140990	Others (2)		0,01 (*)
0150000	Berries and small fruits		0,01 (*)
0151000	(a) grapes	6	
0151010	Table grapes		
0151020	Wine grapes		
0152000	(b) strawberries	0,01 (*)	
0153000	(c) cane fruits	0,01 (*)	
0153010	Blackberries		
0153020	Dewberries		
0153030	Raspberries (red and yellow)		
0153990	Others (2)		
0154000	(d) other small fruits and berries	0,01 (*)	
0154010	Blueberries		
0154020	Cranberries		

0154030	Currants (black, red and white)		
0154040	Gooseberries (green, red and yellow)		
0154050	Rose hips		
0154060	Mulberries (black and white)		
0154070	Azaroles/Mediterranean medlars		
0154080	Elderberries		
0154990	Others (2)		
0160000	Miscellaneous fruits with	0,01 (*)	
0161000	(a) edible peel		
0161010	Dates		0,01 (*)
0161020	Figs		0,01 (*)
0161030	Table olives		20
0161040	Kumquats		0,01 (*)
0161050	Carambolas		0,01 (*)
0161060	Kaki/Japanese persimmons		0,01 (*)
0161070	Jambuls/jambolans		0,01 (*)
0161990	Others (2)		0,01 (*)
0162000	(b) inedible peel, small		0,01 (*)
0162010	Kiwi fruits (green, red, yellow)		
0162020	Litchis/lychees		
0162030	Passionfruits/maracujas		
0162040	Prickly pears/cactus fruits		
0162050	Star apples/cainitos		
0162060	American persimmons/Virginia kaki		
0162990	Others (2)		
0163000	(c) inedible peel, large		
0163010	Avocados		0,01 (*)
0163020	Bananas		0,5
0163030	Mangoes		0,01 (*)

0163040	Papayas		0,01 (*)
0163050	Granate apples/pomegranates		0,01 (*)
0163060	Cherimoyas		0,01 (*)
0163070	Guavas		0,01 (*)
0163080	Pineapples		0,01 (*)
0163090	Breadfruits		0,01 (*)
0163100	Durians		0,01 (*)
0163110	Soursops/guanabanas		0,01 (*)
0163990	Others (2)		0,01 (*)
0200000	VEGETABLES, FRESH or FROZEN		
0210000	Root and tuber vegetables		0,01 (*)
0211000	(a) potatoes	0,05	
0212000	(b) tropical root and tuber vegetables	0,05	
0212010	Cassava roots/manioc		
0212020	Sweet potatoes		
0212030	Yams		
0212040	Arrowroots		
0212990	Others (2)		
0213000	(c) other root and tuber vegetables except sugar beets	0,01 (*)	
0213010	Beetroots		
0213020	Carrots		
0213030	Celeriacs/turnip rooted celeries		
0213040	Horseradishes		
0213050	Jerusalem artichokes		
0213060	Parsnips		
0213070	Parsley roots/Hamburg roots parsley		
0213080	Radishes		
0213090	Salsifies		
0213100	Swedes/rutabagas		

0213110	Turnips		
0213990	Others (2)		
0220000	Bulb vegetables		0,01 (*)
0220010	Garlic	1,5	
0220020	Onions	1,5	
0220030	Shallots	1,5	
0220040	Spring onions/green onions and Welsh onions	20(+)	
0220990	Others (2)	0,01 (*)	
0230000	Fruiting vegetables		0,01 (*)
0231000	(a) Solanaceae and Malvaceae		
0231010	Tomatoes	2	
0231020	Sweet peppers/bell peppers	1,5	
0231030	Aubergines/eggplants	2	
0231040	Okra/lady's fingers	1,5	
0231990	Others (2)	1,5	
0232000	(b) cucurbits with edible peel		
0232010	Cucumbers	2	
0232020	Gherkins	3	
0232030	Courgettes	3	
0232990	Others (2)	3	
0233000	(c) cucurbits with inedible peel	3	
0233010	Melons		
0233020	Pumpkins		
0233030	Watermelons		
0233990	Others (2)		
0234000	(d) sweet corn	0,01 (*)	
0239000	(e) other fruiting vegetables	0,01 (*)	

0240000	Brassica vegetables(excluding brassica roots and brassica baby leaf crops)		0,01 (*)
0241000	(a) flowering brassica	9	
0241010	Broccoli		
0241020	Cauliflowers		
0241990	Others (2)		
0242000	(b) head brassica		
0242010	Brussels sprouts	9	
0242020	Head cabbages	15	
0242990	Others (2)	0,01 (*)	
0243000	(c) leafy brassica		
0243010	Chinese cabbages/pe-tsai	60	
0243020	Kales	50	
0243990	Others (2)	0,01 (*)	
0244000	(d) kohlrabies	9	
0250000	Leaf vegetables, herbs and edible flowers		
0251000	(a) lettuces and salad plants		0,01 (*)
0251010	Lamb's lettuces/corn salads	70	
0251020	Lettuces	50	
0251030	Escaroles/broad-leaved endives	50	
0251040	Cresses and other sprouts and shoots	50	
0251050	Land cresses	50	
0251060	Roman rocket/rucola	50	
0251070	Red mustards	50	
0251080	Baby leaf crops (including brassica species)	50	
0251990	Others (2)	0,01 (*)	
0252000	(b) spinaches and similar leaves	60	0,01 (*)
0252010	Spinaches		
0252020	Purslanes		
0252030	Chards/beet leaves		

0252990	Others (2)		
0253000	(c) grape leaves and similar species	50	0,01 (*)
0254000	(d) watercresses	50	0,01 (*)
0255000	(e) witloofs/Belgian endives	0,01 (*)	0,01 (*)
0256000	(f) herbs and edible flowers		0,02 (*)
0256010	Chervil	50	
0256020	Chives	40	
0256030	Celery leaves	40	
0256040	Parsley	40	
0256050	Sage	40	
0256060	Rosemary	40	
0256070	Thyme	40	
0256080	Basil and edible flowers	40	
0256090	Laurel/bay leaves	40	
0256100	Tarragon	40	
0256990	Others (2)	40	
0260000	Legume vegetables	0,01 (*)	0,01 (*)
0260010	Beans (with pods)		
0260020	Beans (without pods)		
0260030	Peas (with pods)		
0260040	Peas (without pods)		
0260050	Lentils		
0260990	Others (2)		
0270000	Stem vegetables		0,01 (*)
0270010	Asparagus	0,01 (*)	
0270020	Cardoons	0,01 (*)	
0270030	Celeries	20	
0270040	Florence fennels	20	
0270050	Globe artichokes	0,01 (*)	

0270060	Leeks	5	
0270070	Rhubarbs	0,01 (*)	
0270080	Bamboo shoots	0,01 (*)	
0270090	Palm hearts	0,01 (*)	
0270990	Others (2)	0,01 (*)	
0280000	Fungi, mosses and lichens	0,01 (*)	0,01 (*)
0280010	Cultivated fungi		
0280020	Wild fungi		
0280990	Mosses and lichens		
0290000	Algae and prokaryotes organisms	0,01 (*)	0,01 (*)
0300000	PULSES	0,01 (*)	0,01 (*)
0300010	Beans		
0300020	Lentils		
0300030	Peas		
0300040	Lupins/lupini beans		
0300990	Others (2)		
0400000	OILSEEDS AND OIL FRUITS	0,01 (*)	
0401000	Oilseeds		0,01 (*)
0401010	Linseeds		
0401020	Peanuts/groundnuts		
0401030	Poppy seeds		
0401040	Sesame seeds		
0401050	Sunflower seeds		
0401060	Rapeseeds/canola seeds		
0401070	Soyabeans		
0401080	Mustard seeds		
0401090	Cotton seeds		
0401100	Pumpkin seeds		
0401110	Safflower seeds		

0401120	Borage seeds		
0401130	Gold of pleasure seeds		
0401140	Hemp seeds		
0401150	Castor beans		
0401990	Others (2)		
0402000	Oil fruits		
0402010	Olives for oil production		20
0402020	Oil palms kernels		0,01 (*)
0402030	Oil palms fruits		0,01 (*)
0402040	Kapok		0,01 (*)
0402990	Others (2)		0,01 (*)
0500000	CEREALS	0,01 (*)	0,01 (*)
0500010	Barley	(+)	
0500020	Buckwheat and other pseudocereals		
0500030	Maize/corn		
0500040	Common millet/proso millet		
0500050	Oat	(+)	
0500060	Rice		
0500070	Rye	(+)	
0500080	Sorghum		
0500090	Wheat	(+)	
0500990	Others (2)		
0600000	TEAS, COFFEE, HERBAL INFUSIONS, COCOA AND CAROBS	0,05 (*)	0,05 (*)
0610000	Teas		
0620000	Coffee beans		
0630000	Herbal infusions from		
0631000	(a) flowers		
0631010	Chamomile		
0631020	Hibiscus/roselle		

0631030	Rose		
0631040	Jasmine		
0631050	Lime/linden		
0631990	Others (2)		
0632000	(b) leaves and herbs		
0632010	Strawberry		
0632020	Rooibos		
0632030	Mate/maté		
0632990	Others (2)		
0633000	(c) roots		
0633010	Valerian		
0633020	Ginseng		
0633990	Others (2)		
0639000	(d) any other parts of the plant		
0640000	Cocoa beans		
0650000	Carobs/Saint John's breads		
0700000	HOPS	90(+)	0,05 (*)
0800000	SPICES		
0810000	Seed spices	0,05 (*)	0,05 (*)
0810010	Anise/aniseed		
0810020	Black caraway/black cumin		
0810030	Celery		
0810040	Coriander		
0810050	Cumin		
0810060	Dill		
0810070	Fennel		
0810080	Fenugreek		
0810090	Nutmeg		
0810990	Others (2)		

0820000	Fruit spices	0,05 (*)	0,05 (*)
0820010	Allspice/pimento		
0820020	Sichuan pepper		
0820030	Caraway		
0820040	Cardamom		
0820050	Juniper berry		
0820060	Peppercorn (black, green and white)		
0820070	Vanilla		
0820080	Tamarind		
0820990	Others (2)		
0830000	Bark spices	0,05 (*)	0,05 (*)
0830010	Cinnamon		
0830990	Others (2)		
0840000	Root and rhizome spices		
0840010	Liquorice	0,05 (*)	0,05 (*)
0840020	Ginger (10)		
0840030	Turmeric/curcuma	0,05 (*)	0,05 (*)
0840040	Horseradish (11)		
0840990	Others (2)	0,05 (*)	0,05 (*)
0850000	Bud spices	0,05 (*)	0,05 (*)
0850010	Cloves		
0850020	Capers		
0850990	Others (2)		
0860000	Flower pistil spices	0,05 (*)	0,05 (*)
0860010	Saffron		
0860990	Others (2)		
0870000	Aril spices	0,05 (*)	0,05 (*)
0870010	Mace		
0870990	Others (2)		

0900000	SUGAR PLANTS	0,01 (*)	0,01 (*)
0900010	Sugar beet roots		
0900020	Sugar canes		
0900030	Chicory roots		
0900990	Others (2)		
1000000	PRODUCTS OF ANIMAL ORIGIN - TERRESTRIAL ANIMALS		
1010000	Commodities from		0,01 (*)
1011000	(a) swine	0,03 (*)	
1011010	Muscle	(+)	
1011020	Fat	(+)	
1011030	Liver	(+)	
1011040	Kidney	(+)	
1011050	Edible offals (other than liver and kidney)		
1011990	Others (2)		
1012000	(b) bovine		
1012010	Muscle	0,03 (*) (+)	(+)
1012020	Fat	0,03 (*) (+)	(+)
1012030	Liver	0,04 (+)	(+)
1012040	Kidney	0,03 (*) (+)	(+)
1012050	Edible offals (other than liver and kidney)	0,03 (*)	
1012990	Others (2)	0,03 (*)	
1013000	(c) sheep	0,03 (*)	
1013010	Muscle	(+)	(+)
1013020	Fat	(+)	(+)
1013030	Liver	(+)	(+)
1013040	Kidney	(+)	(+)
1013050	Edible offals (other than liver and kidney)		
1013990	Others (2)		

1014000	(d) goat	0,03 (*)	
1014010	Muscle	(+)	(+)
1014020	Fat	(+)	(+)
1014030	Liver	(+)	(+)
1014040	Kidney	(+)	(+)
1014050	Edible offals (other than liver and kidney)		
1014990	Others (2)		
1015000	(e) equine		
1015010	Muscle	0,03 (*) (+)	
1015020	Fat	0,03 (*) (+)	
1015030	Liver	0,04 (+)	
1015040	Kidney	0,03 (*) (+)	
1015050	Edible offals (other than liver and kidney)	0,03 (*)	
1015990	Others (2)	0,03 (*)	
1016000	(f) poultry	0,03 (*)	
1016010	Muscle	(+)	
1016020	Fat	(+)	
1016030	Liver	(+)	
1016040	Kidney	(+)	
1016050	Edible offals (other than liver and kidney)		
1016990	Others (2)		
1017000	(g) other farmed terrestrial animals	0,03 (*)	
1017010	Muscle		
1017020	Fat		
1017030	Liver		
1017040	Kidney		
1017050	Edible offals (other than liver and kidney)		
1017990	Others (2)		

1020000	Milk	0,03 (*)	0,01 (*)
1020010	Cattle	(+)	(+)
1020020	Sheep	(+)	(+)
1020030	Goat	(+)	(+)
1020040	Horse	(+)	
1020990	Others (2)		
1030000	Birds eggs	0,03 (*)	0,01 (*)
1030010	Chicken	(+)	
1030020	Duck	(+)	
1030030	Geese	(+)	
1030040	Quail	(+)	
1030990	Others (2)		
1040000	Honey and other apiculture products (7)	5	0,05 (*)
1050000	Amphibians and Reptiles	0,03 (*)	0,01 (*)
1060000	Terrestrial invertebrate animals	0,03 (*)	0,01 (*)
1070000	Wild terrestrial vertebrate animals	0,03 (*)	0,01 (*)
1100000	PRODUCTS OF ANIMAL ORIGIN - FISH, FISHPRODUCTS AND ANY OTHER MARINE AND FRESHWATER FOOD PRODUCTS (8)		
1200000	PRODUCTS OR PART OF PRODUCTS EXCLUSIVELY USED FOR ANIMAL FEED PRODUCTION (8)		
1300000	PROCESSED FOOD PRODUCTS (9)'		

(*) Indicates lower limit of analytical determination

(**) Pesticide-code combination for which the MRL as set in Annex III Part B applies

(^e) For the complete list of products of plant and animal origin to which MRL's apply, reference should be made to Annex I

Ametoctradin (R) (F)

(R) The residue definition differs for the following combinations pesticide-code number: Ametoctradin - code 1000000 except 1040000: Ametoctradin, metabolite 4-(7-amino-5-ethyl [1,2,4]triazolo, [1,5-a]pyrimidin-6-yl) butanoic acid (M650F01) and metabolite 6-(7-amino-5-ethyl [1,2,4]triazolo [1,5-a]pyrimidin-6-yl) hexanoic acid (M650F06), expressed as ametoctradin

(F) Fat soluble

The European Food Safety Authority identified some information on residues in rotational crops as unavailable. When re-viewing the MRL, the Commission will take into account the information referred to in the first sentence, if it is submitted by 7 July 2023, or, if that information is not submitted by that date, the lack of it.

0500070 Rye

The European Food Safety Authority identified some information on analytical methods as unavailable. When re-viewing the MRL, the Commission will take into account the information referred to in the first sentence, if it is submitted by 7 July 2023, or, if that information is not submitted by that date, the lack of it.

0700000 HOPS

The European Food Safety Authority identified some information on residue trials as unavailable. When re-viewing the MRL, the Commission will take into account the information referred to in the first sentence, if it is submitted by 7 July 2023, or, if that information is not submitted by that date, the lack of it.

0220040 Spring onions/green onions and Welsh onions

The European Food Safety Authority identified some information on residues in rotational crops as unavailable. When re-viewing the MRL, the Commission will take into account the information referred to in the first sentence, if it is submitted by 7 July 2023, or, if that information is not submitted by that date, the lack of it.

0500010 Barley

0500050 Oat

0500090 Wheat

The European Food Safety Authority identified some information on storage stability and feeding studies as unavailable. When re-viewing the MRL, the Commission will take into account the information referred to in the first sentence, if it is submitted by 7 July 2023, or, if that information is not submitted by that date, the lack of it.

1012010 Muscle

1012020 Fat

1012030 Liver

1012040 Kidney

1015010 Muscle

1015020 Fat

1015030 Liver

1015040 Kidney

The European Food Safety Authority identified some information on storage stability as unavailable. When re-viewing the MRL, the Commission will take into account the information referred to in the first sentence, if it is submitted by 7 July 2023, or, if that information is not submitted by that date, the lack of it.

1011010 Muscle

1011020 Fat

1011030 Liver

1011040 Kidney

1013010 Muscle

1013020 Fat

1013030 Liver

1013040 Kidney

1014010 Muscle

1014020 Fat

1014030 Liver

1014040 Kidney

1016010 Muscle

1016020 Fat

1016030 Liver

1016040 Kidney

1020010 Cattle

1020020 Sheep

1020030 Goat

1020040 Horse
1030010 Chicken
1030020 Duck
1030030 Geese
1030040 Quail

Dodine

The European Food Safety Authority identified some information on analytical methods as unavailable. When re-viewing the MRL, the Commission will take into account the information referred to in the first sentence, if it is submitted by 24 June 2018, or, if that information is not submitted by that date, the lack of it.

1012010 Muscle
1012020 Fat
1012030 Liver
1012040 Kidney
1013010 Muscle
1013020 Fat
1013030 Liver
1013040 Kidney
1014010 Muscle
1014020 Fat
1014030 Liver
1014040 Kidney
1020010 Cattle
1020020 Sheep
1020030 Goat

Profenofos (F)

(F) Fat soluble

Monitoring data carried out between 2012 and 2015, show that residues of profenofos occur in herbs. Further monitoring data is necessary to compare the evolution of the occurrence of profenofos in herbs. When re-viewing the MRL, the Commission will take into account the information, if it is submitted by 18 October 2021, or, if that information is not submitted by that date, the lack of it.

0256000 (f) herbs and edible flowers
0256010 Chervil
0256020 Chives
0256030 Celery leaves
0256040 Parsley
0256050 Sage
0256060 Rosemary
0256070 Thyme
0256080 Basil and edible flowers
0256090 Laurel/bay leaves
0256100 Tarragon
0256990 Others (2)

Recent monitoring data show that residues of profenofos occur in rose petals. Further monitoring data is necessary to compare the evolution of the occurrence of profenofos in rose petals. When re-viewing the MRL, the Commission will take into account the information, if it is submitted by 25 July 2029, or, if that information is not submitted by that date, the lack of it.

0631030 Rose

The following MRL applies to chilli peppers: 3 mg/kg.

0231020 Sweet peppers/bell peppers

(2) Annex III is amended as follows:

(a) in Part A, the columns for chlormequat and nicotine are replaced by the following:

Annex IIIA

Pesticide residues and maximum residue levels (mg/kg)

Code number	Groups and examples of individual products to which the MRLs apply (*)	Chlormequat (sum of chlormequat and its salts, expressed as chlormequat-chloride)	Nicotine
0100000	FRUITS, FRESH or FROZEN; TREE NUTS		
0110000	Citrus fruits	0,01 (*)	
0110010	Grapefruits		
0110020	Oranges		
0110030	Lemons		
0110040	Limes		
0110050	Mandarins		
0110990	Others (2)		
0120000	Tree nuts	0,01 (*)	
0120010	Almonds		
0120020	Brazil nuts		
0120030	Cashew nuts		
0120040	Chestnuts		
0120050	Coconuts		
0120060	Hazelnuts/cobnuts		
0120070	Macadamias		
0120080	Pecans		
0120090	Pine nut kernels		
0120100	Pistachios		
0120110	Walnuts		

0120990	Others (2)		
0130000	Pome fruits		
0130010	Apples	0,01 (*)	
0130020	Pears	0,07(+)	
0130030	Quinces	0,01 (*)	
0130040	Medlars	0,01 (*)	
0130050	Loquats/Japanese medlars	0,01 (*)	
0130990	Others (2)	0,01 (*)	
0140000	Stone fruits	0,01 (*)	
0140010	Apricots		
0140020	Cherries (sweet)		
0140030	Peaches		
0140040	Plums		
0140990	Others (2)		
0150000	Berries and small fruits		
0151000	(a) grapes	0,05	
0151010	Table grapes		
0151020	Wine grapes		
0152000	(b) strawberries	0,01 (*)	
0153000	(c) cane fruits	0,01 (*)	
0153010	Blackberries		
0153020	Dewberries		
0153030	Raspberries (red and yellow)		
0153990	Others (2)		
0154000	(d) other small fruits and berries	0,01 (*)	
0154010	Blueberries		
0154020	Cranberries		
0154030	Currants (black, red and white)		
0154040	Gooseberries (green, red and yellow)		

0154050	Rose hips		0,3(+)
0154060	Mulberries (black and white)		
0154070	Azaroles/Mediterranean medlars		
0154080	Elderberries		
0154990	Others (2)		
0160000	Miscellaneous fruits with	0,01 (*)	
0161000	(a) edible peel		
0161010	Dates		
0161020	Figs		
0161030	Table olives		
0161040	Kumquats		
0161050	Carambolas		
0161060	Kaki/Japanese persimmons		
0161070	Jambuls/jambolans		
0161990	Others (2)		
0162000	(b) inedible peel, small		
0162010	Kiwi fruits (green, red, yellow)		
0162020	Litchis/lychees		
0162030	Passionfruits/maracujas		
0162040	Prickly pears/cactus fruits		
0162050	Star apples/cainitos		
0162060	American persimmons/Virginia kaki		
0162990	Others (2)		
0163000	(c) inedible peel, large		
0163010	Avocados		
0163020	Bananas		
0163030	Mangoes		
0163040	Papayas		
0163050	Granate apples/pomegranates		

0163060	Cherimoyas		
0163070	Guavas		
0163080	Pineapples		
0163090	Breadfruits		
0163100	Durians		
0163110	Soursops/guanabanas		
0163990	Others (2)		
0200000	VEGETABLES, FRESH or FROZEN		
0210000	Root and tuber vegetables	0,01 (*)	
0211000	(a) potatoes		
0212000	(b) tropical root and tuber vegetables		
0212010	Cassava roots/manioc		
0212020	Sweet potatoes		
0212030	Yams		
0212040	Arrowroots		
0212990	Others (2)		
0213000	(c) other root and tuber vegetables except sugar beets		
0213010	Beetroots		
0213020	Carrots		
0213030	Celeriacs/turnip rooted celeries		
0213040	Horseradishes		
0213050	Jerusalem artichokes		
0213060	Parsnips		
0213070	Parsley roots/Hamburg roots parsley		
0213080	Radishes		
0213090	Salsifies		
0213100	Swedes/rutabagas		
0213110	Turnips		
0213990	Others (2)		

0220000	Bulb vegetables	0,01 (*)	
0220010	Garlic		
0220020	Onions		
0220030	Shallots		
0220040	Spring onions/green onions and Welsh onions		
0220990	Others (2)		
0230000	Fruiting vegetables	0,01 (*)	
0231000	(a) Solanaceae and Malvaceae		
0231010	Tomatoes		
0231020	Sweet peppers/bell peppers		
0231030	Aubergines/eggplants		
0231040	Okra/lady's fingers		
0231990	Others (2)		
0232000	(b) cucurbits with edible peel		
0232010	Cucumbers		
0232020	Gherkins		
0232030	Courgettes		
0232990	Others (2)		
0233000	(c) cucurbits with inedible peel		
0233010	Melons		
0233020	Pumpkins		
0233030	Watermelons		
0233990	Others (2)		
0234000	(d) sweet corn		
0239000	(e) other fruiting vegetables		
0240000	Brassica vegetables(excluding brassica roots and brassica baby leaf crops)	0,01 (*)	
0241000	(a) flowering brassica		
0241010	Broccoli		
0241020	Cauliflowers		

0241990	Others (2)		
0242000	(b) head brassica		
0242010	Brussels sprouts		
0242020	Head cabbages		
0242990	Others (2)		
0243000	(c) leafy brassica		
0243010	Chinese cabbages/pe-tsai		
0243020	Kales		
0243990	Others (2)		
0244000	(d) kohlrabies		
0250000	Leaf vegetables, herbs and edible flowers	0,01 (*)	
0251000	(a) lettuces and salad plants		
0251010	Lamb's lettuces/corn salads		
0251020	Lettuces		
0251030	Escaroles/broad-leaved endives		
0251040	Cresses and other sprouts and shoots		
0251050	Land cresses		
0251060	Roman rocket/rucola		
0251070	Red mustards		
0251080	Baby leaf crops (including brassica species)		
0251990	Others (2)		
0252000	(b) spinaches and similar leaves		
0252010	Spinaches		
0252020	Purslanes		
0252030	Chards/beet leaves		
0252990	Others (2)		
0253000	(c) grape leaves and similar species		
0254000	(d) watercresses		

0255000	(e) witloofs/Belgian endives		
0256000	(f) herbs and edible flowers		0,4(+)
0256010	Chervil		(+)
0256020	Chives		(+)
0256030	Celery leaves		(+)
0256040	Parsley		(+)
0256050	Sage		(+)
0256060	Rosemary		(+)
0256070	Thyme		(+)
0256080	Basil and edible flowers		(+)
0256090	Laurel/bay leaves		(+)
0256100	Tarragon		(+)
0256990	Others (2)		(+)
0260000	Legume vegetables	0,01 (*)	
0260010	Beans (with pods)		
0260020	Beans (without pods)		
0260030	Peas (with pods)		
0260040	Peas (without pods)		
0260050	Lentils		
0260990	Others (2)		
0270000	Stem vegetables	0,01 (*)	
0270010	Asparagus		
0270020	Cardoons		
0270030	Celeries		
0270040	Florence fennels		
0270050	Globe artichokes		
0270060	Leeks		
0270070	Rhubarbs		
0270080	Bamboo shoots		

0270090	Palm hearts		
0270990	Others (2)		
0280000	Fungi, mosses and lichens		
0280010	Cultivated fungi	0,9(+)	
0280020	Wild fungi	0,01 (*)	0,04(+)
0280990	Mosses and lichens	0,01 (*)	
0290000	Algae and prokaryotes organisms	0,01 (*)	
0300000	PULSES	0,01 (*)	
0300010	Beans		
0300020	Lentils		
0300030	Peas		
0300040	Lupins/lupini beans		
0300990	Others (2)		
0400000	OILSEEDS AND OIL FRUITS		
0401000	Oilseeds		
0401010	Linseeds	0,01 (*)	
0401020	Peanuts/groundnuts	0,01 (*)	
0401030	Poppy seeds	0,01 (*)	
0401040	Sesame seeds	0,01 (*)	
0401050	Sunflower seeds	0,01 (*)	
0401060	Rapeseeds/canola seeds	7(+)	
0401070	Soyabeans	0,01 (*)	
0401080	Mustard seeds	0,01 (*)	
0401090	Cotton seeds	0,7	
0401100	Pumpkin seeds	0,01 (*)	
0401110	Safflower seeds	0,01 (*)	
0401120	Borage seeds	0,01 (*)	
0401130	Gold of pleasure seeds	0,01 (*)	
0401140	Hemp seeds	0,01 (*)	

0401150	Castor beans	0,01 (*)	
0401990	Others (2)	0,01 (*)	
0402000	Oil fruits	0,01 (*)	
0402010	Olives for oil production		
0402020	Oil palms kernels		
0402030	Oil palms fruits		
0402040	Kapok		
0402990	Others (2)		
0500000	CEREALS		
0500010	Barley	7	
0500020	Buckwheat and other pseudocereals	0,01 (*)	
0500030	Maize/corn	0,01 (*)	
0500040	Common millet/proso millet	0,01 (*)	
0500050	Oat	15	
0500060	Rice	0,01 (*)	
0500070	Rye	8	
0500080	Sorghum	0,01 (*)	
0500090	Wheat	7	
0500990	Others (2)	0,01 (*)	
0600000	TEAS, COFFEE, HERBAL INFUSIONS, COCOA AND CAROBS	0,05 (*)	
0610000	Teas		0,6(+)
0620000	Coffee beans		
0630000	Herbal infusions from		0,5(+)
0631000	(a) flowers		(+)
0631010	Chamomile		(+)
0631020	Hibiscus/roselle		(+)
0631030	Rose		(+)
0631040	Jasmine		(+)
0631050	Lime/linden		(+)

0631990	Others (2)		(+)
0632000	(b) leaves and herbs		(+)
0632010	Strawberry		(+)
0632020	Rooibos		(+)
0632030	Mate/maté		(+)
0632990	Others (2)		(+)
0633000	(c) roots		(+)
0633010	Valerian		(+)
0633020	Ginseng		(+)
0633990	Others (2)		(+)
0639000	(d) any other parts of the plant		(+)
0640000	Cocoa beans		
0650000	Carobs/Saint John's breads		
0700000	HOPS	0,05 (*)	
0800000	SPICES		
0810000	Seed spices	0,05 (*)	0,3(+)
0810010	Anise/aniseed		(+)
0810020	Black caraway/black cumin		(+)
0810030	Celery		(+)
0810040	Coriander		(+)
0810050	Cumin		(+)
0810060	Dill		(+)
0810070	Fennel		(+)
0810080	Fenugreek		(+)
0810090	Nutmeg		(+)
0810990	Others (2)		(+)
0820000	Fruit spices	0,05 (*)	0,3(+)
0820010	Allspice/pimento		(+)
0820020	Sichuan pepper		(+)

0820030	Caraway		(+)
0820040	Cardamom		(+)
0820050	Juniper berry		(+)
0820060	Peppercorn (black, green and white)		(+)
0820070	Vanilla		(+)
0820080	Tamarind		(+)
0820990	Others (2)		(+)
0830000	Bark spices	0,05 (*)	4(+)
0830010	Cinnamon		(+)
0830990	Others (2)		(+)
0840000	Root and rhizome spices		4(+)
0840010	Liquorice	0,05 (*)	(+)
0840020	Ginger (10)		(+)
0840030	Turmeric/curcuma	0,05 (*)	(+)
0840040	Horseradish (11)		(+)
0840990	Others (2)	0,05 (*)	(+)
0850000	Bud spices	0,05 (*)	4(+)
0850010	Cloves		(+)
0850020	Capers		(+)
0850990	Others (2)		(+)
0860000	Flower pistil spices	0,05 (*)	4(+)
0860010	Saffron		(+)
0860990	Others (2)		(+)
0870000	Aril spices	0,05 (*)	4(+)
0870010	Mace		(+)
0870990	Others (2)		(+)
0900000	SUGAR PLANTS	0,01 (*)	
0900010	Sugar beet roots		
0900020	Sugar canes		

0900030	Chicory roots		
0900990	Others (2)		
1000000	PRODUCTS OF ANIMAL ORIGIN -TERRESTRIAL ANIMALS		
1010000	Commodities from		
1011000	(a) swine		
1011010	Muscle	0,3	
1011020	Fat	0,15	
1011030	Liver	1,5	
1011040	Kidney	1,5	
1011050	Edible offals (other than liver and kidney)	1,5	
1011990	Others (2)	0,01 (*)	
1012000	(b) bovine		
1012010	Muscle	0,3	
1012020	Fat	0,15	
1012030	Liver	1,5	
1012040	Kidney	1,5	
1012050	Edible offals (other than liver and kidney)	1,5	
1012990	Others (2)	0,01 (*)	
1013000	(c) sheep		
1013010	Muscle	0,4	
1013020	Fat	0,15	
1013030	Liver	1,5	
1013040	Kidney	2	
1013050	Edible offals (other than liver and kidney)	1,5	
1013990	Others (2)	0,01 (*)	
1014000	(d) goat		
1014010	Muscle	0,3	
1014020	Fat	0,15	
1014030	Liver	1,5	

1014040	Kidney	1,5	
1014050	Edible offals (other than liver and kidney)	1,5	
1014990	Others (2)	0,01 (*)	
1015000	(e) equine		
1015010	Muscle	0,3	
1015020	Fat	0,15	
1015030	Liver	1,5	
1015040	Kidney	1,5	
1015050	Edible offals (other than liver and kidney)	1,5	
1015990	Others (2)	0,01 (*)	
1016000	(f) poultry		
1016010	Muscle	0,05	
1016020	Fat	0,05	
1016030	Liver	0,15	
1016040	Kidney	0,15	
1016050	Edible offals (other than liver and kidney)	0,15	
1016990	Others (2)	0,01 (*)	
1017000	(g) other farmed terrestrial animals		
1017010	Muscle	0,3	
1017020	Fat	0,15	
1017030	Liver	1,5	
1017040	Kidney	1,5	
1017050	Edible offals (other than liver and kidney)	1,5	
1017990	Others (2)	0,01 (*)	
1020000	Milk	0,5	
1020010	Cattle		
1020020	Sheep		
1020030	Goat		
1020040	Horse		

1020990	Others (2)		
1030000	Birds eggs	0,15	
1030010	Chicken		
1030020	Duck		
1030030	Geese		
1030040	Quail		
1030990	Others (2)		
1040000	Honey and other apiculture products (7)	0,05 (*)	
1050000	Amphibians and Reptiles	0,01 (*)	
1060000	Terrestrial invertebrate animals	0,01 (*)	
1070000	Wild terrestrial vertebrate animals	0,3	
1100000	PRODUCTS OF ANIMAL ORIGIN - FISH, FISHPRODUCTS AND ANY OTHER MARINE AND FRESHWATER FOOD PRODUCTS (8)		
1200000	PRODUCTS OR PART OF PRODUCTS EXCLUSIVELY USED FOR ANIMAL FEED PRODUCTION (8)		
1300000	PROCESSED FOOD PRODUCTS (9)		

(*) Indicates lower limit of analytical determination

(†) For the complete list of products of plant and animal origin to which MRL's apply, reference should be made to Annex I

Chlormequat (sum of chlormequat and its salts, expressed as chlormequat-chloride)

Recent monitoring data show that chlormequat levels in pears are declining but still occur at levels above the limit of determination due to former uses and persistence in the trees. When reviewing the MRL, the Commission will take into account the information, if it is submitted by 25 July 2029, or, if that information is not submitted by that date, the lack of it.

0130020 Pears

The European Food Safety Authority identified some information on crop metabolism as unavailable. When re-viewing the MRL, the Commission will take into account the information referred to in the first sentence, if it is submitted by 13 April 2019, or, if that information is not submitted by that date, the lack of it.

0401060 Rapeseeds/canola seeds

The following MRL applies to oyster mushrooms: 6 mg/kg. Monitoring data show that cross-contamination of untreated cultivated fungi may occur with straw lawfully treated with chlormequat. When reviewing the MRL, the Commission will take into account the information, if it is submitted by 25 July 2023, or, if that information is not submitted by that date, the lack of it.

0280010 Cultivated fungi

Nicotine

Scientific evidence is not conclusive to demonstrate that nicotine occurs naturally in the concerned crop and to elucidate its mechanism of formation. When re-viewing the MRL, the Commission will take into account the information, if it is submitted by 19 October 2021, or, if that information is not submitted by that date, the lack of it.

0154050 Rose hips

0256000 (f) herbs and edible flowers

0256010 Chervil

0256020 Chives

0256030 Celery leaves

0256040 Parsley

0256050 Sage

0256060 Rosemary

0256070 Thyme

0256080 Basil and edible flowers

0256090 Laurel/bay leaves

0256100 Tarragon

0256990 Others (2)

0610000 Teas

0630000 Herbal infusions from

0631000 (a) flowers

0631010 Chamomile

0631020 Hibiscus/roselle

0631030 Rose

0631040 Jasmine

0631050 Lime/linden

0631990 Others (2)

0632000 (b) leaves and herbs

0632010 Strawberry

0632020 Rooibos

0632030 Mate/maté

0632990 Others (2)

0633000 (c) roots

0633010 Valerian

0633020 Ginseng

0633990 Others (2)

0639000 (d) any other parts of the plant

0800000 SPICES

0810000 Seed spices

0810010 Anise/aniseed

0810020 Black caraway/black cumin

0810030 Celery

0810040 Coriander

0810050 Cumin

0810060 Dill

0810070 Fennel

0810080 Fenugreek

0810090 Nutmeg

0810990 Others (2)

0820000 Fruit spices

0820010 Allspice/pimento
0820020 Sichuan pepper
0820030 Caraway
0820040 Cardamom
0820050 Juniper berry
0820060 Peppercorn (black green and white)
0820070 Vanilla
0820080 Tamarind
0820990 Others (2)
0830000 Bark spices
0830010 Cinnamon
0830990 Others (2)
0840000 Root and rhizome spices
0840010 Liquorice
0840020 Ginger (10)
0840030 Turmeric/curcuma
0840040 Horseradish (11)
0840990 Others (2)
0850000 Bud spices
0850010 Cloves
0850020 Capers
0850990 Others (2)
0860000 Flower pistil spices
0860010 Saffron
0860990 Others (2)
0870000 Aril spices
0870010 Mace
0870990 Others (2)

The following MRLs apply to dried wild mushrooms: 2,3 mg/kg for ceps, 1,2 mg/kg for dried wild mushrooms other than ceps. Recent monitoring data show that residues of nicotine occurs in dried ceps and dried wild mushrooms other than ceps. Scientific evidence is not conclusive to demonstrate that nicotine occurs naturally in the concerned crop and to elucidate its mechanism of formation. When re-viewing the MRL, the Commission will take into account the information, if it is submitted by 25 July 2029, or, if that information is not submitted by that date, the lack of it.

0280020 Wild fungi

(b) in Part B, the column for profenofos is replaced by the following:

'Annex IIIB

Pesticide residues and maximum residue levels (mg/kg)

Code number	Groups and examples of individual products to which the MRLs apply ^(e)	Profenofos(F)
0130040	Medlars	0,01 (*)
0130050	Loquats/Japanese medlars	0,01 (*)
0154050	Rose hips	0,01 (*)
0154060	Mulberries (black and white)	0,01 (*)
0154070	Azaroles/Mediterranean medlars	0,01 (*)
0154080	Elderberries	0,01 (*)
0161050	Carambolas	0,01 (*)
0161060	Kaki/Japanese persimmons	0,01 (*)
0161070	Jambuls/jambolans	0,01 (*)
0162040	Prickly pears/cactus fruits	0,01 (*)
0162050	Star apples/cainitos	0,01 (*)
0162060	American persimmons/Virginia kaki	0,01 (*)
0163060	Cherimoyas	0,01 (*)
0163070	Guavas	0,01 (*)
0163090	Breadfruits	0,01 (*)
0163100	Durians	0,01 (*)
0163110	Soursops/guanabanas	0,01 (*)
0212040	Arrowroots	0,01 (*)
0251050	Land cresses	0,01 (*)
0251070	Red mustards	0,01 (*)
0252020	Purslanes	0,01 (*)
0253000	(c) grape leaves and similar species	0,01 (*)
0256050	Sage	0,05(+)
0256060	Rosemary	0,05(+)

0256070	Thyme	0,05(+)
0256080	Basil and edible flowers	0,05(+)
0256090	Laurel/bay leaves	0,05(+)
0256100	Tarragon	0,05(+)
0270080	Bamboo shoots	0,01 (*)
0270090	Palm hearts	0,01 (*)
0290000	Algae and prokaryotes organisms	0,01 (*)
0401110	Safflower seeds	0,02 (*)
0401120	Borage seeds	0,02 (*)
0401130	Gold of pleasure seeds	0,02 (*)
0401150	Castor beans	0,02 (*)
0402020	Oil palms kernels	0,02 (*)
0402030	Oil palms fruits	0,02 (*)
0402040	Kapok	0,02 (*)
0620000	Coffee beans	0,05 (*)
0630000	Herbal infusions from	
0631000	(a) flowers	
0631010	Chamomile	0,05 (*)
0631020	Hibiscus/roselle	0,05 (*)
0631030	Rose	0,1(+)
0631040	Jasmine	0,05 (*)
0631050	Lime/linden	0,05 (*)
0631990	Others (2)	0,05 (*)
0632000	(b) leaves and herbs	0,05 (*)
0632010	Strawberry	0,05 (*)
0632020	Rooibos	0,05 (*)
0632030	Mate/maté	0,05 (*)
0632990	Others (2)	0,05 (*)

0633000	(c) roots	0,05 (*)
0633010	Valerian	0,05 (*)
0633020	Ginseng	0,05 (*)
0633990	Others (2)	0,05 (*)
0639000	(d) any other parts of the plant	0,05 (*)
0640000	Cocoa beans	0,05 (*)
0650000	Carobs/Saint John's breads	0,05 (*)
0800000	SPICES	
0810000	Seed spices	
0810010	Anise/aniseed	0,05 (*)
0810020	Black caraway/black cumin	0,05 (*)
0810030	Celery	0,05 (*)
0810040	Coriander	0,1
0810050	Cumin	5
0810060	Dill	0,05 (*)
0810070	Fennel	0,1
0810080	Fenugreek	0,05 (*)
0810090	Nutmeg	0,05 (*)
0810990	Others (2)	0,05 (*)
0820000	Fruit spices	
0820010	Allspice/pimento	0,07
0820020	Sichuan pepper	0,07
0820030	Caraway	0,07
0820040	Cardamom	3
0820050	Juniper berry	0,07
0820060	Peppercorn (black, green and white)	0,07
0820070	Vanilla	0,07
0820080	Tamarind	0,07
0820990	Others (2)	0,07

0830000	Bark spices	0,05 (*)
0830010	Cinnamon	0,05 (*)
0830990	Others (2)	0,05 (*)
0840000	Root and rhizome spices	
0840010	Liquorice	0,05 (*)
0840020	Ginger (10)	
0840030	Turmeric/curcuma	0,05 (*)
0840040	Horseradish (11)	
0840990	Others (2)	0,05 (*)
0850000	Bud spices	0,05 (*)
0850010	Cloves	0,05 (*)
0850020	Capers	0,05 (*)
0850990	Others (2)	0,05 (*)
0860000	Flower pistil spices	0,05 (*)
0860010	Saffron	0,05 (*)
0860990	Others (2)	0,05 (*)
0870000	Aril spices	0,05 (*)
0870010	Mace	0,05 (*)
0870990	Others (2)	0,05 (*)
0900000	SUGAR PLANTS	0,01 (*)
0900010	Sugar beet roots	0,01 (*)
0900020	Sugar canes	0,01 (*)
0900030	Chicory roots	0,01 (*)
0900990	Others (2)	0,01 (*)
1015000	(e) equine	0,05
1015010	Muscle	0,05
1015020	Fat	0,05
1015030	Liver	0,05
1015040	Kidney	0,05

1015050	Edible offals (other than liver and kidney)	0,05
1015990	Others (2)	0,05
1017000	(g) other farmed terrestrial animals	0,05
1017010	Muscle	0,05
1017020	Fat	0,05
1017030	Liver	0,05
1017040	Kidney	0,05
1017050	Edible offals (other than liver and kidney)	0,05
1017990	Others (2)	0,05
1030020	Duck	0,02 (*)
1030030	Geese	0,02 (*)
1030040	Quail	0,02 (*)
1030990	Others (2)	0,02 (*)
1040000	Honey and other apiculture products (7)	0,05 (*)
1050000	Amphibians and Reptiles	0,01 (*)
1060000	Terrestrial invertebrate animals	0,01 (*)
1070000	Wild terrestrial vertebrate animals	0,01 (*)

(*) Indicates lower limit of analytical determination

(^e) For the complete list of products of plant and animal origin to which MRL's apply, reference should be made to Annex I

Profenofos(F)

(F) Fat soluble

Monitoring data carried out between 2012 and 2015, show that residues of profenofos occur in herbs. Further monitoring data is necessary to compare the evolution of the occurrence of profenofos in herbs. When re-viewing the MRL, the Commission will take into account the information, if it is submitted by 18 October 2021, or, if that information is not submitted by that date, the lack of it.

0256000 (f) herbs and edible flowers

0256010 Chervil

0256020 Chives

0256030 Celery leaves

0256040 Parsley

0256050 Sage

0256060 Rosemary

0256070 Thyme

0256080 Basil and edible flowers

0256090 Laurel/bay leaves

0256100 Tarragon

0256990 Others (2)

Recent monitoring data show that residues of profenofos occur in rose petals. Further monitoring data is necessary to compare the evolution of the occurrence of profenofos in rose petals. When re-viewing the MRL, the Commission will take into account the information, if it is submitted by 25 July 2029, or, if that information is not submitted by that date, the lack of it.

0631030 Rose

The following MRL applies to chilli peppers: 3 mg/kg.

0231020 Sweet peppers/bell peppers

(3) in Annex IV, the following entry is inserted: '*Spodoptera exigua multicapsid nucleopolyhedrovirus* (SeMNPV) isolate BV-0004'.

COMMISSION IMPLEMENTING REGULATION (EU) 2022/1291**of 22 July 2022****approving a non-minor amendment to the product specification for a name entered in the register of traditional specialities guaranteed 'Mozzarella' (TSG)**

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs ⁽¹⁾, and in particular Article 52(3)(b) thereof,

Whereas:

- (1) Pursuant to Article 50(2)(b) of Regulation (EU) No 1151/2012, the application from Italy for approval of a non-minor amendment to the product specification of the Traditional Speciality Guaranteed 'Mozzarella' was published in the *Official Journal of the European Union* ⁽²⁾.
- (2) The application for amendment aims at changing the name 'Mozzarella' into 'Mozzarella Tradizionale' and the protection from 'without reservation of name' into 'with reservation of name'.
- (3) On 1 March 2021 the Commission received two notices of opposition and one reasoned statement of opposition from Germany. On 22 March 2021 the Commission received the second reasoned statement of opposition from Germany.
- (4) After examining the reasoned statements of opposition and finding them admissible, in accordance with Article 51(3) of Regulation (EU) No 1151/2012, the Commission invited Italy and Germany, by letter of 10 May 2021, to engage in appropriate consultations in view of reaching an agreement.
- (5) On 2 August 2021, on request of Italy, the Commission extended the deadline for consultations by three months. The consultations between Italy and Germany ended without an agreement being reached. The Commission should therefore take a decision on the amendment in accordance with the procedure provided for in Article 52(3)(b) of Regulation (EU) No 1151/2012 taking into account the results of these consultations.
- (6) The main arguments of Germany as set out in its reasoned statement of opposition and in the consultations carried out with Italy can be summarised as follows.
- (7) Germany claimed that the new name 'Mozzarella Tradizionale', as applied for by Italy, was neither a name traditionally used to refer to the specific product, as required by Article 18(2)(a) of Regulation (EU) No 1151/2012, nor a name which identifies a traditional character of the product, as required by Article 18(2)(b) of the same Regulation.
- (8) Germany further claimed that the term 'Tradizionale' could not be included in the name of a traditional speciality guaranteed in the light of the rules established by Article 18(3), which provide for a specific use of the term 'tradition'. 'Traditional' is also already part of 'traditional speciality guaranteed' (TSG) logo and part of the indication 'traditional speciality guaranteed', which might also appear in full on the labelling.
- (9) In addition, the reservation of the name 'Mozzarella Tradizionale' would prevent the German producers who have produced and marketed a product named 'Mozzarella' for more than 30 years, from using the term 'traditional'. Germany claimed that the use of the word 'traditional' is of economic importance.

⁽¹⁾ OJ L 343, 14.12.2012, p. 1.

⁽²⁾ OJ C 424, 8.12.2020, p. 39.

- (10) In that context Germany also argued that there are two meanings of 'traditional': the first one, defined in Article 3, point (3), of Regulation (EU) No 1151/2012, where 'traditional' means proven usage on the domestic market for a period of at least 30 years; and the second one, understood by consumers as a transfer of knowledge from one generation to the next. In view of the foregoing, Germany claimed that, in this specific case of 'Mozzarella Tradizionale', the term 'Tradizionale' refers only to the first meaning, the standard and most traditional form of the product. However, adding 'traditional' to the name 'Mozzarella' would qualify the name also with reference to the second meaning, transfer of knowledge from one generation to another. Germany therefore considers that this would mislead the consumers and that the appropriate manner to qualify the name 'Mozzarella' under the first meaning of the term 'Tradizionale' would be just adding the claim under Article 18(3) of Regulation (EU) No 1151/2012.
- (11) Germany also asserted the generic character of the name 'Mozzarella', following the definition in Article 3, point (6) of Regulation (EU) No 1151/2012. As a consequence, Germany requested that the regulation approving the change of name expressly states that 'Mozzarella' is a generic name. Furthermore, Germany claimed that co-existence of 'Mozzarella Tradizionale' TSG and two other Mozzarella products designated as PDOs – 'Mozzarella di Bufala Campana' and 'Mozzarella di Gioia del Colle' could also be precluded by Article 6(3) of Regulation (EU) No 1151/2012 since there was a risk that an average consumer might not be able to make a sufficiently clear distinction between the products in question.
- (12) Germany also maintained that the product specification enclosed to the application for amendment would contain changes that are not described in the application itself. The application for amendment would therefore be incomplete. In addition, some parts of the product specification would not be easy to understand and would need to be clarified. Also, the applicant would be ineligible because a single Italian dairy producer would not be allowed to represent all the TSG producers, which are located all over the EU territory.
- (13) Finally, Germany contested the possibility of changing the protection rule from 'registration without reservation of the name' to 'registration with reservation of the name' by means of the present application for amendment. In particular, it was argued that the time limit to make such a change, as referred to in Article 26(1) of Regulation (EU) No 1151/2012, lapsed on 4 January 2016. As a result, after the end of the transitional period, i.e. after 4 January 2023, protection of 'Mozzarella' should allegedly cease.
- (14) The Commission has assessed the arguments exposed in the reasoned statements of opposition from Germany in the light of provisions of Regulation (EU) No 1151/2012, taking into account the results of the appropriate consultations carried out between the applicant and the opponent and it has concluded that the amendment to the product specification for the traditional speciality guaranteed 'Mozzarella' should be approved.
- (15) The name 'Mozzarella Tradizionale' identifies the traditional character of the product, as required by Article 18(2)(b) of Regulation (EU) No 1151/2012. This is enough to qualify a name as a TSG, the fulfilment of the conditions under Article 18(2)(a) and 18(2)(b) being alternative.
- (16) In addition, to demonstrate the use of name 'Mozzarella Tradizionale', Italy submitted examples of such use on labels or in logos, as well as demonstrated existence of the producer group named 'Consorzio italiano per la Tutela della Mozzarella tradizionale' already in 2001.
- (17) As regards the inclusion of the term 'Traditional' in the compound name of a registered TSG with reservation of name, not only does Article 18(2)(b) of Regulation (EU) No 1151/2012 allow it, but it represents the perfect example of a term identifying the traditional character of the product. For these reasons, the term 'traditional' can be found in many protected names of TSGs with reservation of name, in various languages, as confirmed in the following examples of registered TSG with reservation of the name: 'Traditionally Reared Pedigree Welsh Pork', 'Traditional Bramley Apple Pie Filling', 'Traditional Farmfresh Turkey', 'Traditionally Farmed Gloucestershire Old Spots Pork', 'Amatriciana tradizionale', 'Bacalhau de Cura Tradicional Portuguesa', 'Salată tradițională cu icre de crap', 'Czwórniak staropolski tradycyjny', 'Dwójniak staropolski tradycyjny', 'Olej rydzowy tradycyjny', 'Półtorak staropolski tradycyjny'.

Moreover, 'Mozzarella' TSG has always had a traditional character as it was registered as a traditional speciality guaranteed in direct reference to and due to its traditional character. In this context, attention should be drawn to the meaning of 'traditional' as defined under Article 3(3) of Regulation (EU) No 1151/2012, which means 'proven usage on the domestic market for a period that allows transmission between generations; this period is to be at least 30 years'. The differentiation between various meanings of 'traditional', as proposed by Germany, is not, therefore, supported by the text of the applicable law.

- (18) It is not clear which is the concrete economic impact for the German producers being prevented from using the term 'traditional' for marketing 'Mozzarella' produced without complying with the product specification of the TSG, but following a distinct method that has been used for more than 30 years in Germany. The claim would refer rather to a potential option than to a concrete fact. No indication that the term has been used on the market may be deduced. In addition, as long as the conditions set forth in the product specification of 'Mozzarella Tradizionale' TSG are complied with, the producers anywhere in the European Union, therefore also in Germany, will be able to legitimately market a product named 'Mozzarella Tradizionale' TSG.

The protection of traditional speciality guaranteed 'Mozzarella Tradizionale' should not cover the stand-alone name 'Mozzarella', but only the compound name 'Mozzarella Tradizionale' as a whole. Therefore, the use of the name 'Mozzarella' should continue to be allowed for products not complying with the product specification of 'Mozzarella Tradizionale' TSG. Though, such products should not be marketed accompanied by the terms 'traditional speciality guaranteed', nor by the abbreviation TSG, nor by the Union symbol specified under Article 23 of Regulation (EU) No 1151/2012.

- (19) With regard to the claim that co-existence of 'Mozzarella Tradizionale' TSG and two other Mozzarella products designated as PDOs – 'Mozzarella di Bufala Campana' and 'Mozzarella di Gioia del Colle' would be in breach of Article 6(3) of Regulation (EU) No 1151/2012, it should be noted that the aforementioned provision does not apply to traditional specialities guaranteed, but only to protected designations of origin and protected geographical indications.
- (20) With reference to the reservations of Germany concerning the product specification of 'Mozzarella Tradizionale' TSG, other than the name issue and of the protection status, and in particular points 4.1, 4.2 and 4.3, it must be pointed out that the product specification has not been changed. The slight wording changes that may have occurred in the non-Italian versions are due to translation. These parts of the product specification are therefore out of the scope of the approval of this amendment. The Commission's assessment of the application for amendment of 'Mozzarella Tradizionale' TSG focussed on the amendments applied for.
- (21) Article 3, point (2), of Regulation (EU) No 1151/2012 defines the group as 'any association, irrespective of its legal form, mainly composed of producers or processors working with the same product'. The first subparagraph of Article 49(1) of the same Regulation provides that an application for registration may only be submitted by groups who work with the products with the name to be registered. In addition, Article 53(1), which defines the groups that may submit applications for amendment, has even a larger scope, requiring that an application for amendment may be submitted also by 'a group having a legitimate interest'. The producers that submitted the application for amendment of 'Mozzarella' TSG directly work with the product, as confirmed by fully certified production. In the light of the foregoing, the criteria set forth for a 'group' to be allowed to apply for approval of an amendment, as defined in Regulation (EU) No 1151/2012 under Articles 3, point (2), 49(1) and 53(1), can be considered as fulfilled.
- (22) With reference to the applicability of the amendment procedure, Article 25(2) of the Regulation provides that TSG without reservation of name may continue to be used until 4 January 2023, under the conditions laid down in Regulation (EC) No 509/2006, unless Member States apply the procedure laid down in Article 26 of the Regulation. Article 26 of the Regulation provides for a simplified procedure for conversion of TSGs without reservation of name into TSGs with reservation of name. This does not prejudice that a TSG without reservation of name may still be amended and changed into TSG with reservation of name by means of an amendment procedure provided by the Regulation (EU) No 1151/2012. The Commission has already approved under Article 53(2) of the Regulation other non-minor amendments to the product specification converting TSGs without reservation of name into TSGs with reservation of name.

- (23) Accordingly, the amendment to the product specification published in the *Official Journal of the European Union* regarding the name 'Mozzarella' (TSG) should be approved.
- (24) The measures provided for in this Regulation are in accordance with the opinion of the Agricultural Product Quality Policy Committee,

HAS ADOPTED THIS REGULATION:

Article 1

The amendments to the product specification published in the *Official Journal of the European Union* regarding the name 'Mozzarella' (TSG) are hereby approved.

Article 2

The name 'Mozzarella' may continue to be used for products that do not comply with the product specification of 'Mozzarella Tradizionale' within the territory of the Union, provided the principles and rules applicable in its legal order are respected.

Article 3

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

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

Done at Brussels, 22 July 2022.

For the Commission
The President
Ursula VON DER LEYEN

COMMISSION IMPLEMENTING REGULATION (EU) 2022/1292**of 22 July 2022****amending Implementing Regulation (EU) 2021/1976 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of mono ethylene glycol originating in the United States of America and the Kingdom of Saudi Arabia**

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union ⁽¹⁾, and in particular Article 14(1) thereof,

Whereas:

- (1) Imports of mono ethylene glycol ('MEG') originating in the United States of America and the Kingdom of Saudi Arabia are subject to a definitive anti-dumping duty, imposed by Commission Implementing Regulation (EU) 2021/1976 ⁽²⁾.
- (2) The US company Indorama Ventures Oxides LLC, TARIC ⁽³⁾ additional code C681, is subject to the anti-dumping measures for cooperating non-sampled exporting producers imposed by Implementing Regulation (EU) 2021/1976.
- (3) Indorama Ventures (Oxide & Glycols) LLC, a related company to Indorama Ventures Oxides LLC informed the Commission on 7 March 2022 that it would like to export MEG to the Union and requested the Commission to confirm that it could benefit from the anti-dumping duty rate applied to its related company, Indorama Ventures Oxides LLC, in view of the fact that it was not included in the Annex of Implementing Regulation (EU) 2021/1976.
- (4) The Commission reviewed the information supplied by Indorama Ventures (Oxide & Glycols) LLC in the context of the original investigation and could verify that Indorama Ventures (Oxide & Glycols) LLC is related to Indorama Ventures Oxides LLC and did not export MEG to the Union during the original investigation period.
- (5) Moreover, since Indorama Ventures Oxides LLC was not sampled, the Commission recalled that no individual margin was established for the company, subject to the sample average duty rate.
- (6) Given the considerations in the recitals above, the Commission considered it appropriate to amend the Annex of Implementing Regulation (EU) 2021/1976 and add Indorama Ventures (Oxide & Glycols) LLC with the same TARIC additional code C681 as its related company, Indorama Ventures Oxides LLC.
- (7) TARIC additional code C681 previously attributed to Indorama Ventures Oxides LLC should apply to Indorama Ventures (Oxide & Glycols) LLC as well as of 7 March 2022.
- (8) The measures provided for in this Regulation are in accordance with the opinion of the Committee established by Article 15(1) of Regulation (EU) 2016/1036,

⁽¹⁾ OJ L 176, 30.6.2016, p. 21.

⁽²⁾ Commission Implementing Regulation (EU) 2021/1976 of 12 November 2021 imposing a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of mono ethylene glycol originating in the United States of America and the Kingdom of Saudi Arabia (OJ L 402, 15.11.2021, p. 17).

⁽³⁾ The Integrated Tariff of the European Union.

HAS ADOPTED THIS REGULATION:

Article 1

1. The Annex of Implementing Regulation (EU) 2021/1976 is amended as follows:

'United States of America	Indorama Ventures Oxides LLC	C681'
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is replaced by

'United States of America	Indorama Ventures Oxides LLC; Indorama Ventures (Oxide & Glycols) LLC	C681'
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2. TARIC additional code C681 previously attributed to Indorama Ventures Oxides LLC shall apply to Indorama Ventures (Oxide & Glycols) LLC as well as of 7 March 2022.

3. As of 7 March 2022, any definitive duty paid on imports of products manufactured by Indorama Ventures (Oxide & Glycols) LLC in excess of the anti-dumping duty established in Article 1(2) of Implementing Regulation (EU) 2021/1976 as regards Indorama Ventures Oxides LLC shall be repaid or remitted in accordance with the applicable customs legislation.

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

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

Done at Brussels, 22 July 2022.

For the Commission
The President
Ursula VON DER LEYEN

DECISIONS

COUNCIL DECISION (EU) 2022/1293

of 17 June 2022

on the position to be taken on behalf of the European Union within the 12th Ministerial Conference of the World Trade Organization

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(4), first subparagraph, in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The Marrakesh Agreement establishing the World Trade Organization ('the WTO Agreement') was concluded by the Union by means of Council Decision 94/800/EC ⁽¹⁾ and entered into force on 1 January 1995.
- (2) Pursuant to Articles IV:1 and IX:1 of the WTO Agreement, the Ministerial Conference of the World Trade Organization (WTO) is able to adopt decisions by consensus.
- (3) During its 12th meeting, from 12 to 17 June 2022, the WTO Ministerial Conference could adopt decisions on the draft agreement on fisheries subsidies, the TRIPS Agreement, and on the World Food Programme food-purchases exemptions from export prohibitions or restrictions.
- (4) It is appropriate to establish the position to be taken on the Union's behalf in the WTO Ministerial Conference, to the extent that any decisions adopted could have legal effects.
- (5) Negotiations on fisheries subsidies are part of the Doha Development Agenda (DDA) and were identified as a priority in target 6 of United Nations (UN) Sustainable Development Goal 14, as agreed by Heads of State in 2015, and in the WTO Ministerial Decision of 13 December 2017 (WT/MIN(17)/64). Given the importance of the issue for trade and sustainable development, and the fact that the Union has been one of the proponents, the Union should support the agreed outcome.
- (6) Negotiations on measures related to intellectual property, as provided for in the TRIPS Agreement are part of the ongoing discussions in the WTO on how the trade system can enhance global access to COVID-19 vaccines, therapeutics and other essential medical goods. On 21 May 2021 a number of WTO Members submitted to the WTO Council for TRIPS a communication with a revised proposal for a waiver from certain provisions of the TRIPS Agreement for the prevention, containment and treatment of COVID-19 (IP/C/W/669/Rev.1). On 4 June 2021 the Union submitted a communication on urgent trade policy responses to the COVID-19 crisis (WT/GC/231) to the WTO General Council and a communication on urgent trade policy responses to the COVID-19 crisis with regard to intellectual property (IP/C/W/680) to the WTO Council for TRIPS. On 18 June 2021 the Union submitted to the WTO Council for TRIPS a communication with a draft declaration on the TRIPS Agreement and public health in the circumstances of a pandemic (IP/C/W/681), which aims to clarify or facilitate the use of the compulsory licensing system provided for in the TRIPS Agreement, in order to make it work as efficiently as possible in the circumstances of a pandemic. The ministerial decision based on this work is part of a broader package which includes the ministerial declaration on the WTO response to the COVID-19 pandemic and preparedness for future pandemics. Given the importance of this issue, the Union should support the agreed outcome.

⁽¹⁾ Council Decision 94/800/EC of 22 December 1994 concerning the conclusion on behalf of the European Community, as regards matters within its competence, of the agreements reached in the Uruguay Round multilateral negotiations (1986-1994) (OJ L 336, 23.12.1994, p. 1).

- (7) Negotiations on the UN World Food Programme exemption from export restrictions have shown that many WTO Members support the commitment not to impose such restrictions on purchases for humanitarian purposes. In view of the proposal for a ministerial decision on this matter and given that this is an important element of a food-security package to be adopted at the 12th Ministerial Conference, the Union should support the agreed outcome,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on the Union's behalf within the 12th WTO Ministerial Conference shall be to support the adoption of the draft WTO ministerial decisions on:

- (a) the draft agreement on fisheries subsidies (WT/MIN(22)/W/22);
- (b) the TRIPS Agreement (WT/MIN(22)/W/15/Rev.2); and
- (c) the World Food Programme food-purchases exemptions from export prohibitions or restrictions (WT/MIN(22)/W/18).

Article 2

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 17 June 2022.

For the Council
The President
C. COLONNA

POLITICAL AND SECURITY COMMITTEE DECISION (CFSP) 2022/1294**of 19 July 2022****on the appointment of the Head of Mission of the European Union Advisory Mission in support of Security Sector Reform in Iraq (EUAM Iraq) (EUAM Iraq/1/2022)**

THE POLITICAL AND SECURITY COMMITTEE,

Having regard to the Treaty on European Union, and in particular Article 38, third paragraph, thereof,

Having regard to Council Decision (CFSP) 2017/1869 of 16 October 2017 on the European Union Advisory Mission in support of Security Sector Reform in Iraq (EUAM Iraq) ⁽¹⁾, and in particular Article 9(1) thereof,

Whereas:

- (1) Pursuant to Article 9(1) of Decision (CFSP) 2017/1869, the Political and Security Committee (PSC) is authorised, in accordance with Article 38, third paragraph, of the Treaty on European Union, to take the relevant decisions for the purpose of exercising the political control and strategic direction of the European Union Advisory Mission in support of Security Sector Reform in Iraq (EUAM Iraq), including the decision to appoint a Head of Mission.
- (2) On 30 March 2021, the PSC adopted Decision (CFSP) 2021/569 ⁽²⁾, extending the mandate of Mr Christoph BUIK as Head of Mission of EUAM Iraq from 18 April 2021 to 30 April 2022.
- (3) On 13 April 2022, the Council adopted Decision (CFSP) 2022/635 ⁽³⁾, amending Decision (CFSP) 2017/1869 and extending the mandate of EUAM Iraq until 30 April 2024.
- (4) On 6 July 2022, the High Representative of the Union for Foreign Affairs and Security Policy proposed the appointment of Mr Anders WIBERG as Head of Mission of EUAM Iraq from 16 August 2022 to 30 April 2024,

HAS ADOPTED THIS DECISION:

Article 1

Mr Anders WIBERG is hereby appointed as Head of Mission of the European Union Advisory Mission in support of Security Sector Reform in Iraq (EUAM Iraq) from 16 August 2022 to 30 April 2024.

Article 2

This Decision shall enter into force on the date of its adoption.

It shall apply from 16 August 2022.

⁽¹⁾ OJ L 266, 17.10.2017, p. 12.

⁽²⁾ Political and Security Committee Decision (CFSP) 2021/569 of 30 March 2021 extending the mandate of the Head of Mission of the European Union Advisory Mission in support of Security Sector Reform in Iraq (EUAM Iraq) (EUAM Iraq/1/2021) (OJ L 122, 8.4.2021, p. 1).

⁽³⁾ Council Decision (CFSP) 2022/635 of 13 April 2022 amending Decision (CFSP) 2017/1869 on the European Union Advisory Mission in support of Security Sector Reform in Iraq (EUAM Iraq) (OJ L 117, 19.4.2022, p. 32).

Done at Brussels, 19 July 2022.

For the Political and Security Committee
The Chairperson
D. PRONK

POLITICAL AND SECURITY COMMITTEE DECISION (CFSP) 2022/1295**of 19 July 2022****on the reconfirmation of the authorisation of the European Union military operation in the Mediterranean (EUNAVFOR MED IRINI) (EUNAVFOR MED IRINI/3/2022)**

THE POLITICAL AND SECURITY COMMITTEE,

Having regard to the Treaty on European Union, and in particular Article 38 thereof,

Having regard to Council Decision (CFSP) 2020/472 of 31 March 2020 on a European Union military operation in the Mediterranean (EUNAVFOR MED IRINI) ⁽¹⁾, and in particular Article 8(3) thereof,

Whereas:

- (1) On 31 March 2020, the Council adopted Decision (CFSP) 2020/472, which established and launched a European Union military operation in the Mediterranean (EUNAVFOR MED IRINI) for the period until 31 March 2021.
- (2) Article 8(3) of Decision (CFSP) 2020/472 provides that, notwithstanding that period, the authorisation of the operation is to be reconfirmed every four months and that the Political and Security Committee is to prolong the operation unless the deployment of maritime assets of the operation produces a pull effect on migration on the basis of substantiated evidence gathered according to the criteria set out in the Operations Plan.
- (3) On 26 March 2021, the Council adopted Decision (CFSP) 2021/542 ⁽²⁾, extending the operation until 31 March 2023, subject to the same reconfirmation procedure.
- (4) The Operation Commander provided monthly pull factor reports.
- (5) The authorisation of the operation should be reconfirmed for the eighth four-month sub-period of its mandate and the operation should be prolonged accordingly,

HAS ADOPTED THIS DECISION:

Article 1

The authorisation of EUNAVFOR MED IRINI is hereby reconfirmed and the operation is prolonged for the period from 1 August 2022 to 30 November 2022.

Article 2

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 19 July 2022.

*For the Political and Security Committee**The Chairperson*

D. PRONK

⁽¹⁾ OJ L 101, 1.4.2020, p. 4.

⁽²⁾ Council Decision (CFSP) 2021/542 of 26 March 2021 amending Decision (CFSP) 2020/472 on the European Union military operation in the Mediterranean (EUNAVFOR MED IRINI) (OJ L 108, 29.3.2021, p. 57).

COMMISSION IMPLEMENTING DECISION (EU) 2022/1296**of 1 July 2022****on the applicability of Article 34 of Directive 2014/25/EU of the European Parliament and of the Council to the award of contracts to pursue the extraction of crude oil and natural gas in Romania***(notified under document C(2022) 4485)***(Only the Romanian text is the authentic)****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC ⁽¹⁾, and in particular Article 35(3) thereof,

After consulting the Advisory Committee for Public Contracts,

Whereas:

1. FACTS

- (1) The measures provided for in this Decision are in accordance with the opinion of the Advisory Committee for Public Contracts.
- (2) On 2 November 2021, OMV Petrom S.A. ('the applicant') submitted a request pursuant to Article 35(1) of Directive 2014/25/EU ('the request'). The request complies with the formal requirements set out in Article 1(1) of Commission Implementing Decision (EU) 2016/1804 ⁽²⁾ and in Annex I to that Implementing Decision. The applicant submitted additional information on 27 January 2022 and on 25 February 2022. The Commission requested further information from Romania on 12 April 2022. Romania submitted further information on 2 May 2022.
- (3) The applicant is a contracting entity within the meaning of Article 4(1) of Directive 2014/25/EU and is entitled to make a request to the Commission, in accordance with Article 35 of that Directive. The applicant is active in oil and gas exploration and production. The applicant's share capital is divided as follows: 51 % is owned by OMV Aktiengesellschaft; 21 % is owned by the Romanian State; 10 % is owned by Fondul Proprietatea S.A. and 18 % is owned by natural and legal persons.
- (4) The request is accompanied by a reasoned and substantiated position of 10 February 2021 adopted by the Romanian Competition Council. Where the application refers to the 'point of view' of the Romanian Competition Council, this should be understood as the 'position' of the Romanian Competition Council. Pursuant to the request, the Commission is asked to establish that Directive 2014/25/EU does not apply to activities for the extraction of crude oil and natural gas in Romania.

⁽¹⁾ OJ L 94, 28.3.2014, p. 243.

⁽²⁾ Commission Implementing Decision (EU) 2016/1804 of 10 October 2016 on the detailed rules for the application of Articles 34 and 35 of Directive 2014/25/EU of the European Parliament and of the Council on procurement by entities operating in the water, energy, transport and postal services sectors (OJ L 275, 12.10.2016, p. 39).

2. LEGAL FRAMEWORK

- (5) Pursuant to Article 14, point (a) of Directive 2014/25/EU, that Directive applies to activities relating to the exploitation of a geographical area for the purpose of extracting oil or gas.
- (6) The request concerns the production of crude oil and natural gas in Romania.
- (7) According to recital 25 of Directive 2014/25/EU, “extraction” should be considered as the “production” of oil and gas. In line with established practice in merger cases, “production” should be considered also to include “development”, i.e. the setting up of adequate infrastructure for future production (oil platforms, pipelines, terminals, etc.).
- (8) Pursuant to Article 34(1) of Directive 2014/25/EU, contracts intended to enable the performance of an activity to which that Directive applies are not to be subject to that Directive if, in the Member State in which it is carried out, the activity is directly exposed to competition on markets to which access is not restricted.
- (9) Direct exposure to competition is assessed on the basis of objective criteria, taking account of the specific characteristics of the sector concerned. That assessment is, however, limited by the short deadlines applicable and by the need to rely on the information available to the Commission. That information originates either from already available sources or from the information obtained in the context of the application pursuant to Article 35 of Directive 2014/25/EU and cannot be supplemented by more time consuming methods, including, in particular, public inquiries addressed to the economic operators concerned.
- (10) Direct exposure to competition in a particular market should be evaluated on the basis of various criteria, none of which are, *per se*, decisive. For the purposes of assessing whether the relevant operators are subject to direct competition in the markets concerned by this Decision, the market share of the main undertakings and the degree of concentration of those markets should be taken into account.

3. ASSESSMENT

- (11) The aim of this Decision is to establish whether the activities concerned by the request are, in markets to which access is not restricted within the meaning of Article 34 of Directive 2014/25/EU, exposed to a level of competition, which ensures that, also in the absence of the procurement discipline brought about by the detailed procurement rules laid down in Directive 2014/25/EU, procurement for the pursuit of the activities concerned will be carried out in a transparent and non-discriminatory manner.
- (12) This Decision is based on the legal and factual situation as of November 2021 and on the information submitted by the applicant, the authorities of Romania and the information that is publicly available. It may be reviewed if, as a result of significant changes in the legal or factual situation, the conditions for the applicability of Article 34(1) of Directive 2014/25/EU are no longer met.

3.1. Unrestricted access to the market

- (13) Access to a market is deemed to be unrestricted if the Member State has implemented and applied the relevant Union legal acts opening a given sector or a part of it. Those legal acts are listed in Annex III to Directive 2014/25/EU.
- (14) Pursuant to Point G of Annex III to Directive 2014/25/EU, Directive 94/22/EC of the European Parliament and of the Council ^(³) constitutes relevant Union legislation relating to the opening of the market for the extraction of oil or gas.

⁽³⁾ Directive 94/22/EC of the European Parliament and of the Council of 30 May 1994 on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons (OJ L 164, 30.6.1994, p. 3).

- (15) Romania has transposed ⁽⁴⁾ and applied Directive 94/22/EC. Therefore, access to the market for the extraction of crude oil or natural gas is deemed not to be restricted in accordance with Article 34(3), first subparagraph, of Directive 2014/25/EU.
- (16) The Romanian Competition Council acknowledges that the access to the markets for the extraction of crude oil and natural gas is deemed not to be restricted in Romania pursuant to Article 34 of Directive 2014/25/EU ⁽⁵⁾.
- (17) The Commission has previously established that access to the market is deemed to be unrestricted if the Member State has transposed and applied the relevant Union legislation opening a given sector or a part of it ⁽⁶⁾. As a result, a more detailed assessment on the access to the relevant market, *de facto* and *de jure*, is not deemed necessary for the scope of this request.
- (18) In view of the factors examined in recitals 12 to 16, the Commission agrees with the Romanian Competition Council that the access to the markets for the extraction of crude oil and natural gas is considered not to be restricted in Romania under Article 34 of Directive 2014/25/EU.

3.2. Competition assessment

- (19) For the purposes of assessing whether the relevant activities are directly exposed to competition on markets to which access is not restricted, the market share of the main undertakings and the degree of concentration of those markets is to be taken into account, including the specific characteristics of the activities that are the subject of the request.

3.2.1. Relevant product market definition

- (20) The applicant submits that the relevant product markets are: (a) the market for the production of crude oil; and (b) the market for the production of natural gas ⁽⁷⁾.
- (21) The applicant further submits that the production of crude oil and of natural gas includes: (a) the development, i.e. the setting up of adequate infrastructure such as oil platforms, pipelines, and terminals for future production, and (b) production and sale, i.e. the exploitation of reserves and the first sale (wholesale) of the crude oil and of natural gas.

⁽⁴⁾ Petroleum Law no. 238/2004, of 7 June 2004, published in the Official Journal of Romania no. 535 of 15 June 2014; Government Decision no. 2075/2004 for the approval of the Implementing Rules (or Methodological Norms) for the application of Petroleum Law no. 238/2004, that was published in the Official Journal of Romania no. 1170 of 10 December 2004; Government Emergency Ordinance no. 27/2020 on the amendment and completion of Petroleum Law no. 238/2004, published in the Official Journal of Romania no. 161 of 27 February 2020.

⁽⁵⁾ See under point 3.2 of the point of view of the Romanian Competition Council.

⁽⁶⁾ See, inter alia, Commission Implementing Decision (EU) 2015/2177 of 20 November 2015 exempting exploration for oil and gas in Portugal from the application of Directive 2004/17/EC of the European Parliament and of the Council coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 307, 25.11.2015, p. 27); Commission Implementing Decision (EU) 2015/1120 of 8 July 2015 exempting exploration for oil and gas in Greece from the application of Directive 2004/17/EC of the European Parliament and of the Council coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 182, 10.7.2015, p. 88); Commission Implementing Decision 2013/39/EU of 18 January 2013 exempting exploration for oil and gas in Cyprus from the application of Directive 2004/17/EC of the European Parliament and of the Council coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 18, 22.1.2013, p. 19).

⁽⁷⁾ Request, page 6, point 15.

Crude oil

- (22) In its previous decisional practice, the Commission has defined the upstream wholesale supply of crude oil as a separate market from the upstream wholesale supply of natural gas because gas and crude oil have different applications and are subject to varying pricing behaviour as well as cost restraints ⁽⁸⁾. The Commission noted that the market for upstream wholesale supply of crude oil comprises the activities of development, production and wholesale of crude oil ⁽⁹⁾.
- (23) In view of the above, for the purposes of evaluating the conditions laid down in Article 34 of Directive 2014/25/EU and without prejudice to Union competition law, or the application of any other Union law, the Commission considers that the relevant product market is the market for production of crude oil.

Natural gas

- (24) The Commission has found in its decisional practice that there is one relevant product market for the upstream wholesale sale of natural gas ⁽¹⁰⁾. The Commission noted that the upstream wholesale of natural gas comprises the activities of development, production and wholesale of natural gas ⁽¹¹⁾.
- (25) The Commission also considered whether the upstream wholesale supply of natural gas should be divided into two distinct markets, one for liquefied natural gas ('LNG') and one for piped gas ⁽¹²⁾. For the purposes of this Decision, that distinction is irrelevant because there is currently no LNG terminal in Romania ⁽¹³⁾. In view of the above, for the purposes of evaluating the conditions laid down in Article 34 of Directive 2014/25/EU and without prejudice to Union competition law, or the application of any other Union law, the Commission considers that the relevant product market is the market for production of natural gas.

*3.2.2. Relevant geographic market definition**Crude oil*

- (26) The applicant submits that the market for the production of crude oil is worldwide in scope.
- (27) The Commission has previously considered the market for the upstream wholesale supply of crude oil to be worldwide in scope ⁽¹⁴⁾. For some specific 'difficult to reach' customers, such as refineries in certain land-locked European Economic Area (EEA) countries, the Commission has considered that the geographic scope could be limited to a specific supply pipeline, such as the Druzhba pipeline ⁽¹⁵⁾.
- (28) For the purposes of evaluating the conditions laid down in Article 34 of Directive 2014/25/EU and without prejudice to Union competition law, or the application of any other Union law, the Commission considers that the relevant geographic market for the production of crude oil is worldwide.

⁽⁸⁾ COMP/M. 9175 – Total/Chevron Denmark; page 6, point 21.

⁽⁹⁾ Commission Decision of 10 September 2014 in Case M.7316 – Det Norske Oljeselskap/Marathon Oil Norge, paragraph 6.

⁽¹⁰⁾ COMP/M. 9175 – Total/Chevron Denmark; paragraph 23.

⁽¹¹⁾ Commission Decision of 10 September 2014 in Case M.7316 – Det Norske Oljeselskap/Marathon Oil Norge, paragraph 7.

⁽¹²⁾ See decisions in cases COMP/M.8773 – Letterone Holdings/BASF/Wintershall Dea și COMP/M.7631 – Royal Dutch Shell/BG Group.

⁽¹³⁾ Transgaz (Romanian National Transport gas Operator) announced that, by 2028, the Romanian natural gas transport system will be connected to an LNG terminal located in the Romanian Black Sea shore. Request, point 92.

⁽¹⁴⁾ Commission decision of 3 September 2014 in Case M.7318 – Rosneft/Morgan Stanley Global Oil Merchanting Unit, paragraph 11; Commission decision of 11 December 2009 in Case M.5629 – Normeston/MOL/MET JV, paragraph 13.

⁽¹⁵⁾ Commission decision of 8 March 2013 in Case M.6801 – Rosneft/TNK-BP, paragraph 19.

Natural gas

- (29) The applicant submits that the market for the production of natural gas comprises at least the EEA along with Russia and Algeria. However, the applicant considers that, for the purposes of this Decision, the exact scope can be left open because the market is directly exposed to competition even under narrowest possible definition ⁽¹⁶⁾ ⁽¹⁷⁾.
- (30) In its decisional practice, the Commission has not yet taken a definitive view regarding the geographic scope of the upstream wholesale supply of natural gas. Although the Commission has considered that from a demand side perspective the market could potentially be considered to include the EEA, Algeria and Russia ⁽¹⁸⁾, from the supply side perspective, depending on the level of the supply chain (import/wholesale, sale to industrial customers and electricity generators, sale to household customers) where the supply takes place, or due to limited interconnection infrastructure or lack of available cross-border capacity, the Commission considered in some cases the geographic market to be narrower (i.e. regional, covering several Member States, or even national ⁽¹⁹⁾).
- (31) For the purposes of evaluating the conditions laid down in Article 34 of Directive 2014/25/EU and without prejudice to Union competition law, or the application of any other Union law, the Commission considers that the relevant geographic market for the production of natural gas can be left open.

*3.2.3. Market analysis**Crude oil*

- (32) According to the available information ⁽²⁰⁾, the total, daily production of oil worldwide amounted to 82 168 million barrels in 2019 and 76 000 million barrels in 2020. In 2019, OMV Petrom produced a total of 65,90 thousand barrels per day, giving it a market share of 0,08 % ⁽²¹⁾. In 2020, OMV Petrom produced a total of 63,87 thousand barrels per day giving it the same market share as in 2019. For the purposes of this analysis, it is important to have regard to the degree of concentration and the relevant market as a whole. In this view, the Commission notes that the market for crude oil production is characterised by the presence of big state owned companies and three other international vertically integrated private undertakings (the so called super majors: BP, ExxonMobil and Shell whose respective parts of crude oil production in 2019 amounted to 1 %, 3 % and 2 %) ⁽²²⁾ as well as a certain number of so-called 'majors' ⁽²³⁾. Those factors suggest that the market comprises a number of undertakings, which have the capacity to exert competitive pressure on the market. At the same time, the specific factors of this market, namely the practice of prices based on international quotations, as well as the absence of significant barriers in crude oil transactions, support the idea of a market with a low degree of concentration, on which activate a number of operators between which effective competition can be presumed.

⁽¹⁶⁾ Request, point 29.

⁽¹⁷⁾ Request, point 31.

⁽¹⁸⁾ Commission decision of 29 September 1999 in Case M.1383 – Exxon/Mobil, paragraph 18; Commission decision of 29 September 1999 in Case M.1532 – BP-Amoco/Arco, paragraphs 16-17. In both decisions the Commission pointed out however, that due to purchasing policies as to the origin of the gas based on security of supply, certain legislations impose limits on the amount of gas that comes from the same country.

⁽¹⁹⁾ Commission decision of 8 March 2013 in Case M.6801 – Rosneft/TNK-BP, paragraph 12; Commission decision of 3 May 2007 in Case M.4545 – Statoil/Hydro, paragraphs 13-16.

⁽²⁰⁾ Additional information submitted by OMV Petrom on 25 February 2022, estimates based on the publicly available data, as estimated by the U.S. Energy Information Administration ('EIA'), page 3.

⁽²¹⁾ Additional information submitted by OMV Petrom on 25 February 2022, page 3.

⁽²²⁾ See point 4.1 page 12, of the point of view of the Romanian Competition Council, accompanying the request.

⁽²³⁾ Whose market shares are smaller than those of the super majors.

- (33) In addition, the competitive nature of the relevant market in Romania is also confirmed by the fact that in the previous tendering round in 2009/2010 for petroleum exploration, development and production activities, petroleum agreements have been assigned to non-Romanian companies via competitive tender procedures conducted by the National Authority for Mineral Resources ⁽²⁴⁾. This further confirms that the market is open to foreign undertakings, as most of the entities listed are subsidiaries of international groups or have international companies as majority shareholders.
- (34) The competitive nature of the Romanian market is also confirmed by the fact that the crude oil that is processed in the applicant's facilities is not limited to its own production ⁽²⁵⁾. The applicant processes both domestic and imported crude oil. During the period from 2017 to 2019, the imported crude oil represented respectively 20,13 %, 9,58 % and 14,28 % of the total crude oil processed in Romania ⁽²⁶⁾.
- (35) In relation to crude oil exports, the applicant submits that there are no barriers to exports between Romania and other Member States, even outside the Union, in the context of the global market. In practice, as the applicant suggests, the annual crude oil national production does not cover the volumes it processes downstream ⁽²⁷⁾.

Natural gas

- (36) According to the available information ⁽²⁸⁾, the total gas production in the Union amounted to 70 billion Sm³ ⁽²⁹⁾ in 2019 and that of the EEA for the same year to 185 billion Sm³. The production of OMV Petrom for 2019 amounted to 4,33 billion Sm³, giving it a market share at the Union level of 6,22 % ⁽³⁰⁾. For 2019, productions in Russia and Algeria amounted to respectively 678 and 88 billion Sm³ ⁽³¹⁾. The total production for the EEA plus Russia and Algeria therefore amounted to a total of 950 billion Sm³ of which the share of OMV Petrom amounted to 0,46 % ⁽³²⁾. That reduction in the share of the applicant, compared to the two previous years, also illustrates the competitive pressure exerted by a number of competitors in the market.
- (37) The degree of concentration on the market for natural gas production is moderate, considering the presence of the super majors (ExxonMobil and TotalEnergies with market shares of 1,59 % and 3,86 % respectively), the majors (such as Equinor with market share of 4,39 %), and two state owned companies Gazprom and Sonatrach (with market shares of 48,80 % and 12,99 % respectively) ⁽³³⁾. The Commission notes that, in view of the Union's declared intention to diversify gas supply sources, the market shares of gas producers in the EEA are expected to change significantly during the coming years. It is expected that the envisaged supply diversification will lead to new entry and therefore decrease market concentration. This provides further indication of direct exposure to competition.

⁽²⁴⁾ Out of the 27 of the petroleum agreements awarded, 23 were won by undertakings incorporated outside Romania. See in this regard Appendix 4, accompanying the Request, where the press release of ANRM (the National Authority for Mineral Resources) announces the winners of the 10th Round, and which includes details on their activities.

⁽²⁵⁾ According to the applicant, most of the crude oil produced by the former is actually employed for its own refining processes and it is not sold. See in this regard point 81 of the request.

⁽²⁶⁾ Request, point 84.

⁽²⁷⁾ Request, point 85.

⁽²⁸⁾ The market size data included in the application below has been retrieved by the U.S. Energy Information Administration (publicly available data as of 25 February 2022). The EIA's data are expressed in billion cubic feet. Therefore, OMV Petrom has converted those data into billion cubic meters, in order to be consistent with the metric used in its application.

⁽²⁹⁾ Standard Cubic Meter.

⁽³⁰⁾ Additional information submitted by OMV Petrom on 25 February 2022, page 5.

⁽³¹⁾ Additional information submitted by OMV Petrom on 25 February 2022, page 5.

⁽³²⁾ Additional information submitted by OMV Petrom on 25 February 2022, page 5.

⁽³³⁾ According to the additional information provided by the applicant on 27 January 2022, for Sonatrach, the market shares have been estimated under the assumption that the total production quantities published in their annual reports are extracted from Algeria, as Sonatrach is a state-owned company which is predominantly active in that country.

- (38) According to the applicant, the Romanian natural gas exports have been historically low because of the limited infrastructure capacity. That limitation on the export side has been exercising pressure on national undertakings to compete in order to capitalise their production nationally ⁽³⁴⁾. However, during the last three years, the actual exported quantities show a growing and positive trend. Exports have been rising: during the first seven months of 2021, exports amount to three times the total natural gas exported during 2020. Romanian natural gas exports in 2020 amounted to almost six times the gas exported in 2017 ⁽³⁵⁾. Newly built infrastructure has contributed to that positive export trend ⁽³⁶⁾. The ongoing developments on infrastructure capacity improve export flows and further enhance the exposure to competition of Romanian natural gas producers.

4. CONCLUSION

- (39) In view of the factors examined in recitals 4 to 37, the condition of direct exposure to competition laid down in Article 34(1) of Directive 2014/25/EU should be considered to be met in Romania in respect of the following activities:
- (a) extraction of crude oil;
 - (b) extraction of natural gas.
- (40) Since the condition of unrestricted access to the market is deemed to be met, Directive 2014/25/EU should not apply when contracting entities award contracts intended to enable the activities referred to in recital 38, points (a) and (b), of this Decision to be carried out in Romania, nor when design contests are organised for the pursuit of such an activity in those geographic areas.
- (41) This Decision is without prejudice to the application of the Union rules on competition and of the provisions in other fields of Union law. In particular, the criteria and the methodology used to assess direct exposure to competition under Article 34 of Directive 2014/25/EU are not necessarily identical to those used to perform an assessment under Article 101 or Article 102 of the Treaty or Council Regulation (EC) No 139/2004 ⁽³⁷⁾ as confirmed by the General Court ⁽³⁸⁾,

HAS ADOPTED THIS DECISION:

Article 1

Directive 2014/25/EU shall not apply to contracts awarded by contracting entities and intended to enable the extraction of crude oil and natural gas to be carried out in Romania.

Article 2

This Decision is addressed to Romania.

⁽³⁴⁾ In the absence of significant export flows, national production could either be stored internally, with the consequence of higher costs, or offered for competitive prices.

⁽³⁵⁾ The data provided based on the information published by the National Energy Regulatory Authority (ANRE) in its monthly reports. See in this regard point 90 of the request.

⁽³⁶⁾ The Romanian part of the future Bulgaria, Romania, Hungary and Austria (BRUA) pipeline has been inaugurated in December 2020, strengthening the bidirectional interconnections between Romania and Hungary and between Romania and Bulgaria. With BRUA phase I being operational bi-directionally, the market liquidity has improved (since gas transports are possible not only from Hungary to Romania, but also from Romania to Hungary).

⁽³⁷⁾ Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation) (OJ L 24, 29.1.2004, p. 1).

⁽³⁸⁾ Judgment of the General Court of 27 April 2016, Österreichische Post AG v. Commission, T-463/14, EU:T:2016:243, paragraph 28. See also Directive 2014/25/EU, recital 44.

Done at Brussels, 1 July 2022.

For the Commission
Thierry BRETON
Member of the Commission

COMMISSION IMPLEMENTING DECISION (EU) 2022/1297**of 22 July 2022****on the adequacy of the competent authorities of the United States of America pursuant to Directive 2006/43/EC of the European Parliament and of the Council***(notified under document C(2022) 5113)***(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC ⁽¹⁾, and in particular Article 47(3), first subparagraph, thereof,

Whereas:

- (1) By Commission Implementing Decision (EU) 2016/1156 ⁽²⁾, the Commission considered that the competent authorities of the United States of America, namely the Public Company Accounting Oversight Board and the Securities and Exchange Commission, meet requirements that are adequate for the purposes of Article 47(1), point (c), of Directive 2006/43/EC. That Implementing Decision will cease to apply on 31 July 2022. Therefore, it is necessary to determine whether the competent authorities of the United States continue to meet requirements that are adequate for the transfer to them of audit working papers or other documents held by statutory auditors or audit firms and inspection or investigation reports.
- (2) When inspections or investigations are carried out, statutory auditors and audit firms should not be allowed to grant access to or to transmit their audit working papers or other documents to the competent authorities of the United States under any other conditions than those set out in Article 47 of Directive 2006/43/EC.
- (3) Member States are to ensure that the working arrangements required by Article 47(1), point (d), of Directive 2006/43/EC to transfer audit working papers or other documents held by statutory auditors or audit firms and of inspection or investigation reports between their competent authorities and the competent authorities of the United States are agreed on the basis of reciprocity and include protection of any professional secrets and sensitive commercial information contained in such papers relating to the entities audited, including their industrial and intellectual property, or to the statutory auditors and audit firms that audited those entities.
- (4) Where a transfer of audit working papers or other documents held by statutory auditors or audit firms and of inspection or investigation reports to the competent authorities of the United States involves the transfer of personal data, such a transfer is lawful only if it also complies with the requirements for international data transfers laid down in Regulation (EU) 2016/679 of the European Parliament and of the Council ⁽³⁾. Article 47(1), point (e), of Directive 2006/43/EC therefore requires Member States to ensure that the transfer of personal data between their competent authorities and the competent authorities of the United States complies with any applicable data

⁽¹⁾ OJ L 157, 9.6.2006, p. 87.

⁽²⁾ Commission Implementing Decision (EU) 2016/1156 of 14 July 2016 on the adequacy of the competent authorities of the United States of America pursuant to Directive 2006/43/EC of the European Parliament and of the Council (OJ L 190, 15.7.2016, p. 83).

⁽³⁾ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

protection principles and rules and, in particular, with the provisions of Chapter V of Regulation (EU) 2016/679. Member States should ensure that appropriate safeguards for the transfer of personal data are provided for, in accordance with Article 46 of that Regulation. In addition, Member States should ensure that the competent authorities of United States will not further disclose personal data contained in the documents transferred without the prior agreement of the competent authorities of the Member States concerned.

- (5) Member States may accept that inspections by their competent authorities are carried out jointly with the competent authorities of the United States where this is necessary to ensure effective supervision. Member States may allow that cooperation with the competent authorities of the United States takes place under the form of joint inspections or through observers without inspection or investigation powers and without access to the confidential audit working papers, to other documents held by statutory auditors or audit firms, or to inspection or investigation reports. It is necessary that such cooperation always takes place under the conditions set out in Article 47(2) of Directive 2006/43/EC, in particular as regards the need to respect sovereignty, confidentiality and reciprocity. Any joint inspections carried out in the Union by their competent authorities and the competent authorities of the United States under Article 47 of Directive 2006/43/EC will be under the leadership of the competent authority of the Member State concerned.
- (6) Pursuant to the Sarbanes-Oxley Act of 2002 ⁽⁴⁾, in the United States of America, the Public Company Accounting Oversight Board has competence in the public oversight, external quality assurance, investigation and sanctions of auditors and audit firms. The Public Company Accounting Oversight Board implements adequate safeguards prohibiting and sanctioning disclosure by its current and former employees of confidential information to any third person or authority. Under the laws and regulations of the United States, the Public Company Accounting Oversight Board may transfer to the competent authorities of the Member States documents equivalent to those referred to in Article 47(1) of Directive 2006/43/EC. On that basis, the Public Company Accounting Oversight Board continues to meet requirements which should be declared adequate for the purposes of Article 47(1), point (c), of Directive 2006/43/EC.
- (7) Pursuant to the Sarbanes-Oxley Act of 2002, in the United States of America, the Securities and Exchange Commission has oversight and enforcement authority over the Public Company Accounting Oversight Board. The Securities and Exchange Commission has competence in investigating auditors and audit firms; this Decision should therefore only cover the competences of the Securities and Exchange Commission of the United States to investigate auditors and audit firms. The Securities and Exchange Commission implements adequate safeguards prohibiting and sanctioning disclosure by its current and former employees of confidential information to any third person or authority. Under the laws and regulations of the United States, the Securities and Exchange Commission may transfer to the competent authorities of the Member States documents equivalent to those referred to in Article 47(1) of Directive 2006/43/EC, which relate to investigations it may perform on such auditors and audit firms. On that basis, the Securities and Exchange Commission continues to meet requirements which should be declared adequate for the purposes of Article 47(1), point (c), of Directive 2006/43/EC.
- (8) The Committee of European Auditing Oversight Bodies has reassessed the legal framework in the United States, based on the Sarbanes-Oxley Act, which has not fundamentally changed since the adoption of Implementing Decision (EU) 2016/1156. Taking into account the technical assessment of the Committee of European Audit Oversight Bodies referred to in Article 30(7), point (c), of Regulation (EU) No 537/2014 of the European Parliament and of the Council ⁽⁵⁾, the Securities and Exchange Commission and the Public Company Accounting Oversight Board continue to meet requirements that should be declared adequate for the purposes of Article 47(1), point (c), of Directive 2006/43/EC.

⁽⁴⁾ Public Law 107-204, 30 July 2002, 116 Stat 745.

⁽⁵⁾ Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ L 158, 27.5.2014, p. 77).

- (9) This Decision should not affect the cooperation arrangements referred to in Article 25(4) of Directive 2004/109/EC of the European Parliament and of the Council ⁽⁶⁾.
- (10) Any conclusion on the adequacy of the requirements met by the competent authorities of a third country pursuant to Article 47(3), first subparagraph, of Directive 2006/43/EC does not pre-empt any decision that the Commission may adopt on the equivalence of the public oversight, quality assurance, investigation and penalty systems for auditors and audit entities of that third country pursuant to Article 46(2) of that Directive.
- (11) Several Member States' competent authorities have working arrangements with the Public Company Accounting Oversight Board, as referred to in Article 47(1) of Directive 2006/43/EC. In most cases, there is also a Data Protection Agreement under Regulation (EU) 2016/679 or under national law based on Directive 95/46/EC of the European Parliament and of the Council ⁽⁷⁾, which was repealed by that Regulation.
- (12) The ultimate objective of cooperation on audit oversight between Member States' competent authorities and the competent authorities of the United States is to reach mutual reliance on each other's oversight systems. In that way, transfers of audit working papers or other documents held by statutory auditors or audit firms and of inspection or investigation reports should become the exception. Mutual reliance would be based on the equivalence of auditor oversight systems of the Union and of the United States.
- (13) Following Implementing Decision (EU) 2016/1156, several Member States' competent authorities and the competent authorities of the United States have organised joint inspections. Some competent authorities of the Member States have implemented partial reliance, including by performing quality control inspections on which the Public Company Accounting Oversight Board has placed some reliance, and by dividing some focus areas of file inspections between them. For the functioning of capital markets, it is important that the competent authorities of the Member States and the competent authorities of the United States are able to continue the good cooperation after 31 July 2022 with the objective of reaching mutual reliance on each other's oversight systems. However, in absence of full reliance, considering that the derogation provided for in Article 46 of Directive 2006/43/EC is based on the principle of reciprocity, this Decision should be applicable for a limited period.
- (14) Notwithstanding the time limitation, the Commission, assisted by the Committee of European Audit Oversight Bodies, will monitor on a regular basis the market developments, evolution of the supervisory and regulatory frameworks and the effectiveness and experience of supervisory cooperation. In particular, the Commission may undertake a specific review of this Decision at any time before the end of its period of application where relevant developments make it necessary to re-assess the declaration of adequacy granted by this Decision. Such re-assessment may lead to the repeal of this Decision.
- (15) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 of the European Parliament and of the Council ⁽⁸⁾ and delivered an opinion on 13 May 2022.
- (16) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 48(1) of Directive 2006/43/EC,

⁽⁶⁾ Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, p. 38).

⁽⁷⁾ Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (OJ L 281, 23.11.1995, p. 31).

⁽⁸⁾ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

HAS ADOPTED THIS DECISION:

Article 1

The Public Company Accounting Oversight Board of the United States of America and the Securities and Exchange Commission of the United States of America meet requirements which shall be considered adequate within the meaning of Article 47(1), point (c), of Directive 2006/43/EC for the purpose of transfers of audit working papers or other documents held by statutory auditors or audit firms and of inspection and investigation reports under Article 47(1) of that Directive.

Article 2

1. Where audit working papers or other documents held by statutory auditors or audit firms are exclusively held by a statutory auditor or audit firm registered in a Member State other than the Member State where the group auditor is registered and whose competent authority has received a request from any of the authorities referred to in Article 1, such papers or documents shall be transferred to the requesting competent authority only if the competent authority of the first Member State has given its express agreement to the transfer.

2. Any bilateral working arrangements between the competent authorities of the Member States and the competent authorities of the United States of America shall comply with the conditions laid down in Article 47 of Directive 2006/43/EC.

Article 3

This Decision shall apply from 1 August 2022 to 31 July 2028.

Article 4

This Decision is addressed to the Member States.

Done at Brussels, 22 July 2022.

For the Commission
Mairead MCGUINNESS
Member of the Commission

COMMISSION IMPLEMENTING DECISION (EU) 2022/1298**of 22 July 2022****on the equivalence of the systems of public oversight, quality assurance, investigation and penalties for auditors and audit entities of the competent authorities of the United States of America pursuant to Directive 2006/43/EC of the European Parliament and the Council***(notified under document C(2022) 5118)***(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC ⁽¹⁾, and in particular Article 46(2), first subparagraph, thereof,

Whereas:

- (1) By Commission Implementing Decision (EU) 2016/1155 ⁽²⁾, the Commission decided that for the purposes of Article 46(1) of Directive 2006/43/EC, the public oversight, quality assurance, investigation and penalty systems for auditors and audit entities of the competent authorities of the United States of America, namely the Securities and Exchange Commission and the Public Company Accounting Oversight Board, are to be considered to meet requirements that are equivalent to those laid down in Articles 29, 30 and 32 of that Directive. Implementing Decision (EU) 2016/1155 ceases to apply on 31 July 2022. Therefore, the equivalence of those systems should be re-assessed.
- (2) In the case of a company incorporated in the United States whose transferable securities are admitted to trading on a regulated market of a Member State, but which are not admitted to trading in the United States, Member States should ensure that all the audit engagements related to the financial statements of such companies are subject to their systems of public oversight, quality assurance, investigation and penalties. Where such companies are listed in more than one Member State, the Member States concerned should cooperate to ensure that the audit engagement is included in the scope of one of their systems of public oversight, quality assurance, investigation and penalties. Those arrangements should not prevent Member States from establishing cooperative arrangements on quality assurance reviews between their competent authorities and the competent authorities of the United States.
- (3) Any conclusion on the equivalence of the systems of public oversight, quality assurance and investigations and penalties of a third country pursuant to Article 46(2) of Directive 2006/43/EC does not pre-empt any decision that the Commission may adopt on the adequacy of the requirements met by the competent authorities of that third country pursuant to Article 47(3), first subparagraph, of that Directive.
- (4) The ultimate objective of cooperation between the competent authorities of the Member States and those of the United States in the field of public oversight, quality assurance, investigations and penalties systems for auditors and audit firms is to reach mutual reliance on each other's oversight systems based on their equivalence.

⁽¹⁾ OJ L 157, 9.6.2006, p. 87.

⁽²⁾ Commission Implementing Decision (EU) 2016/1155 of 14 July 2016 on the equivalence of the public oversight, quality assurance, investigation and penalty systems for auditors and audit entities of the United States of America pursuant to Directive 2006/43/EC of the European Parliament and the Council (OJ L 190, 15.7.2016, p. 80).

- (5) Pursuant to the Sarbanes-Oxley Act of 2002 ⁽³⁾, in the United States of America, the Public Company Accounting Oversight Board approves the registration of external auditors and audit firms and inspects registered firms' audits and quality control systems. The Securities and Exchange Commission has competence to oversee the Public Company Accounting Oversight Board's operations. The Securities and Exchange Commission and the Public Accounting Oversight Board are responsible for the adoption of audit standards and the investigation and sanctioning of registered public accounting firms and their associated persons for violations of specified rules or professional standards.
- (6) The Committee of European Auditing Oversight Bodies has reassessed, in accordance with Article 30(7), point (c), of Regulation (EU) No 537/2014 of the European Parliament and the Council ⁽⁴⁾, the public oversight, quality assurance, investigation and penalty systems for auditors and audit entities in the United States, based on the Sarbanes-Oxley Act of 2002, which has not fundamentally changed since the adoption of Implementing Decision (EU) 2016/1155. Taking into account that technical assessment, the systems of the public oversight, quality assurance, investigation and penalties for auditors and audit entities of the Securities and Exchange Commission and the Public Company Accounting Oversight Board continue to meet requirements that are equivalent to those laid down in Articles 29, 30 and 32 of Directive 2006/43/EC.
- (7) Following Implementing Decision (EU) 2016/1155, several Member States' competent authorities and the competent authorities of the United States have organised joint inspections. Some competent authorities of the Member States have implemented partial reliance, including by performing quality control inspections, on which the Public Company Accounting Oversight Board has placed some reliance, and by dividing some focus areas of file inspections between them. For the functioning of capital markets, it is important that the competent authorities of the Member States and the competent authorities of the United States are able to continue the good cooperation after 31 July 2022 with the objective of reaching mutual reliance on each other's oversight systems. However, in absence of full reliance, considering that the derogation provided for in Article 46 of Directive 2006/43/EC is based on the principle of reciprocity, this Decision should be applicable for a limited period of time.
- (8) Notwithstanding the time limitation, the Commission, assisted by the Committee of European Audit Oversight Bodies, will monitor on a regular basis the market developments, evolution of the supervisory and regulatory frameworks and the effectiveness and experience of supervisory cooperation, including the progress towards reaching mutual reliance of each other's oversight systems. In particular, the Commission may undertake a specific review of this Decision at any time before the end of its period of application where relevant developments make it necessary to re-assess the equivalence granted by this Decision. Such re-assessment may lead to the repeal of this Decision.
- (9) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 48(1) of Directive 2006/43/EC,

HAS ADOPTED THIS DECISION:

Article 1

For the purposes of Article 46(1) of Directive 2006/43/EC, the systems of public oversight, quality assurance, investigation and penalties for auditors and audit entities of the Securities and Exchange Commission of the United States of America and the Public Company Accounting Oversight Board of the United States of America shall be considered to meet requirements that are equivalent to those laid down in Articles 29, 30 and 32 of that Directive.

⁽³⁾ Public Law 107-204, 30 July 2002, 116 Stat 745.

⁽⁴⁾ Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ L 158, 27.5.2014, p. 77).

Article 2

Article 1 shall be without prejudice to cooperative arrangements on individual quality assurance reviews between the competent authorities of a Member State and the competent authorities of the United States of America.

Article 3

This Decision shall apply from 1 August 2022 to 31 July 2028.

Article 4

This Decision is addressed to the Member States.

Done at Brussels, 22 July 2022.

For the Commission
Mairead MCGUINNESS
Member of the Commission

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