

To: Public Affairs & Communications Committee, Conduct of Business Committee, PRIIPs PG, Distribution PG, Economics & Finance Committee, Corporate Reporting WG, Long Term Investments & Sustainable Finance PG, Sustainability WG

EC adopts Regulatory Technical Standards on SFDR

On 6 April, the European Commission (EC) adopted a **delegated regulation laying out the Regulatory Technical Standards (RTS) on the Sustainable Finance Disclosures Regulation (SFDR)**. These RTS specify the exact content, methodology and presentation of the information to be disclosed, thereby improving its quality and comparability.

The RTS prescribe the information that must be annexed to pre-contractual and periodic product documentation. In addition, according to the EC, the RTS:

- require a mandatory reporting template to describe how principal adverse impacts on sustainability factors are taken into consideration in investment decisions.
- divide indicators into a core set of universal mandatory indicators that will always lead to principal adverse impacts and additional opt-in indicators to identify, assess and prioritise the consideration of additional principal adverse impacts.
- require a summary section, and information on policies on the identification of principal adverse impacts, actions taken and planned to mitigate the principal adverse impacts (for instance, reduction of carbon emissions by means of engagement or other policies), or adherence to international standards and historical comparisons.
- include rules on the statement of no consideration of adverse impacts on sustainability factors by financial market participants and financial advisers.

Please find the adopted proposal and its annexes [here](#).

The secretariat will analyse in further detail the documents and will revert to members in due course.

Next steps

- The proposal will be formally transmitted to the European Parliament and the Council, who will have three months to scrutinise the act (this period can be extended by additional three months).
- Once approved by the co-legislators, the rules will apply from 1 January 2023.

For more info

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