

To: Long Term Investments & Sustainable Finance PG, COB department
From: Gonçalo Borges Loureiro [CoAuthorsText]
cc:
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Reference: ECO-LTI-23-083

Subject: ESAs analyse the extent of voluntary disclosure of principal adverse impacts under the SFDR

Summary

On 28 September, the ESAs (EBA, EIOPA and ESMA) published their [second annual Report](#) on the extent of voluntary disclosure of principal adverse impacts under the Article 18 of the Sustainable Finance Disclosure Regulation (SFDR).

The report highlights the following:

- An overall improvement in compliance compared to previous year.
- Significant variation in compliance and disclosure quality across participants and jurisdictions.
- Disclosures are easier to find on websites compared to previous year.
- Participants should better explain reasons for not considering principal adverse impacts.
- Limited disclosure regarding alignment with Paris Agreement.
- Future reports will analyse voluntary disclosures of PAI consideration.

The report also contains recommendations provided for European Commission for next SFDR assessment.

