

To: Public Affairs & Communications Committee; Long Term Investments & Sustainable Finance PG; Conduct of Business Committee; Distribution PG; PRIIPs Project Group; Personal Insurance Committee

ESAs draft RTS on taxonomy related product disclosures

Today, the Joint Committee of the European Supervisory Authorities [published](#) the draft RTS on disclosures under the Sustainable Finance Disclosure Regulation (SFDR) as amended by the Taxonomy Regulation.

The draft RTS aim to:

- Provide disclosures to end investors regarding the investments of financial products in environmentally sustainable economic activities, providing them with comparable information to make investment choices.
- Establish a single rulebook for sustainability disclosures under the SFDR and the Taxonomy Regulation.

The report contains the following proposals:

- For products under Articles 5 and 6 of the Taxonomy Regulation
 - Inclusion of pre-contractual and periodic disclosures that identify the environmental objectives to which the product contributes and show how and to what extent the product's investments are aligned with the EU Taxonomy.
- For pre-contractual and periodic disclosures
 - Inclusion of annexes with amendments to the mandatory templates for financial products that promote environmental and/or social characteristics or have a sustainable investment objective as defined in the SFDR, including additional disclosures for Article 5 and Article 6 products under the Taxonomy Regulation.
 - Regarding the specific issue of the treatment of sovereign bonds in the representation of the taxonomy-alignment of investments, the ESAs decided to require the taxonomy-alignment disclosures in two ways: one with sovereign exposures and one without sovereign exposures in the calculation.

The secretariat will follow up with members with an assessment of the proposal and proposed engagement.

Next steps

- The European Commission has to decide whether to endorse the draft RTS within 3 months
- The EC has informed the EP and Council that it intends to incorporate all the SFDR RTS (the original ones submitted to the EC February 2021, as well as the ones covered in this final report) in one legal instrument.

For more info

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