

ESG SHORTS

UPDATE OF THE SFDR RTS ANNEXE

On 10 October 2023, the European Commission held an information event on the further development of the Disclosure Regulation (SFDR). A key topic was ESMA's proposal from April 2023, which contains extensive amendments to the annexes of the Reporting Technical Standard (RTS). Completion of the RTS annexes is mandatory for many sustainable financial products and poses major challenges for product manufacturers. The data is also mapped in the European ESG Template (EET), which has become the European market standard for the transmission of regulatory ESG data.

1. NEED FOR CUSTOMISATION

Among other things, the proposal contains amendments to Annexes 2 to 5, which relate to pre-contractual and periodic information on products in accordance with Articles 8 and 9 of the SFDR. The amendments are primarily concerned with the greenhouse gas (GHG) emissions of the financial product. These are currently given less consideration, but the proposal means that product manufacturers are faced with the challenge of collecting further data on this topic.

The requirements for the various product groups (⁸ Art. 8, ⁹ Art.9) differ only marginally and can be seen in the overview.

In addition to the new requirements, the design of the annexes has also been revised. The use of colours and icons has been increased in order to visually indicate whether the product is sustainable or not.

RTS-ANNEX ADDITIONS

Regularly

- GHG reduction target (in %) incl. Targetdate^{8,9}
- Is the 1.5 degree target being pursued?⁹
- Is there a GHG reduction target?^{8,9}
- What is the GHG reduction target (in tCO₂-eq/€M)?^{8,9}

Pre-contractual

- GHG reduction target (in %) incl. Targetdate^{8,9}
- Is the 1.5 degree target being pursued?⁹
- What was the progress of the GHG reduction target (in tCO₂-eq/€M)?^{8,9}
- To what extent did the investment strategy contribute to achieving the target?^{8,9}

⁸ Art.8, ⁹ Art. 9

2. OUTLOOK

No specific timeline was given for the introduction of the new RTS annexes at the information event organised by the EU Commission. However, EFAMA has already stated that it will advocate an implementation period of at least one year after adoption in order to avoid placing too great a burden on product manufacturers. The new RTS annexes are therefore not expected to come into force before 2025.

As already mentioned, the new RTS annexes would affect the EET. WM Datenservice is planning to include the EET data of the product manufacturers in the data budget. If you have specific requirements in this regard, we would be delighted to hear from you.

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Further information and sources
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