

**MEMO# 33515**

May 3, 2021

## **For Your Comments - Draft Response to the ESAs' Consultation on Taxonomy-Alignment Disclosures for SFDR Art 8 & 9 Products - Please Provide Input by Friday, 7 May COB**

[33515]

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TO: ESG Task Force

EU ESG Disclosure Regulation Working Group RE: For Your Comments - Draft Response to the ESAs' Consultation on Taxonomy-Alignment Disclosures for SFDR Art 8 & 9 Products - Please Provide Input by Friday, 7 May COB

Attached for your comments is our draft response to the Joint Consultation Paper (CP) by the European Supervisory Authorities (ESAs) on the draft regulatory technical standards (RTS) for Taxonomy-related sustainability disclosures under Taxonomy Regulation (EU) 2019/2088 (Taxonomy Regulation or TR).[\[1\]](#)

The attached draft responses reflect comments to-date and some of the learnings from the ESAs' hearing on 29 April 2021 on this consultation (The ESAs' slide deck from the hearing is available here:

[https://www.esma.europa.eu/sites/default/files/library/open\\_hearing\\_on\\_taxonomy-related\\_product\\_disclosures\\_cp.pdf](https://www.esma.europa.eu/sites/default/files/library/open_hearing_on_taxonomy-related_product_disclosures_cp.pdf), and the hearing recording should be made available soon).

Please provide your comments on the attached draft by 7 May COB. I also attach the summary of the consultation for your reference.

Our draft responses focus on the following issues:

- Challenging timing/sequencing for compliance. For the periodic statements in 2022, we suggest that the ESAs should adopt a compliance approach similar to the approach they announced in the supervisory statement on the SFDR compliance dates. We also suggest that the ESAs may consider allowing a disclaimer stating that 2022 is the first year for the new disclosures and that they may contain inaccuracies, despite the best

efforts to report the information.

- We agree with the single rulebook approach for the SFDR and the TR disclosures, but we recommend using separate templates for the SFDR and taxonomy-alignment disclosures.
- For the KPI disclosure and the corresponding disclosure language, we recommend that 1) the proposed RTS and the templates make it clear that the taxonomy-alignment illustration in the pre-contractual document is 'intended' and that the actual alignment may be different and will be reflected in the periodic reports; and 2) that asset managers should have the flexibility to obtain data on investee companies from third parties, including when the data is available from public disclosure by investee companies.
- We strongly disagree with the proposed requirement for pre-contractual documents (for UCITS prospectus) that taxonomy-compliant narrative must be accompanied by a statement "whether the statement has been subject to an assurance provided by an auditor or a review by a third party."
- We strongly recommend including a clear explanation in the templates of the limited scope of TR in 2022 (only 2 out of TR's 6 environmental objectives), in 2023 and beyond (only environmental objectives; no social objectives) and we make a number of other suggestions to make the templates clearer to retail investors.

The attached draft highlights some areas on which we specifically would like to hear from you.

Anna Driggs  
Director and Associate Chief Counsel  
ICI Global

#### endnotes

[1] See [https://www.esma.europa.eu/sites/default/files/library/jc\\_2021\\_22\\_-\\_joint\\_consultation\\_paper\\_on\\_taxonomy-related\\_sustainability\\_disclosures.pdf](https://www.esma.europa.eu/sites/default/files/library/jc_2021_22_-_joint_consultation_paper_on_taxonomy-related_sustainability_disclosures.pdf).

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