

PRESS RELEASE

ESMA specifies obligations on environmentally sustainable activities

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has today published its [Consultation Paper](#) containing ESMA's draft advice to the European Commission on Article 8 of the [Taxonomy Regulation](#). This specifies the content, methodology and presentation of the key performance indicators (KPIs) that non-financial undertakings and asset managers are required to disclose.

ESMA's proposals aim at ensuring a consistent application of the disclosure obligations required under the Taxonomy Regulation by non-financial undertakings and asset managers that fall within scope of the [Non-Financial Reporting Directive](#).

Steven Maijoor, Chair, said:

“The Taxonomy Regulation is a key element of the European Green Deal in order to increase the flow of private sector investments to green and sustainable projects. In addition to ensuring the consistent application of the disclosure obligations required under the Taxonomy Regulation, ESMA's proposals are also of vital importance to users of non-financial information as they provide legal certainty on the content of such disclosure.”

“With this consultation, ESMA continues to contribute to the development of European standards and requirements in relation to sustainable finance in line with its mandate.”

Key Issues

The key draft proposals for consultation address the following aspects:

- On **non-financial undertakings**, the advice covers the content of the three KPIs, namely the proportion of turnover, and capital and operating expenditure related to environmentally sustainable activities which must be disclosed and set out specific considerations relating to the methodology for their preparation and presentation.
- On **asset managers**, the advice proposes a KPI calculation model based on eligible investments; this comes together with advice on how this KPI should be calculated and



presented to allow uniform disclosure on how the activities are directed at funding environmentally sustainable economic activities.

To ensure that the draft advice covers key considerations in the market while meeting the timeline for the delivery of this advice by the end of February 2021, ESMA has conducted a targeted outreach with various stakeholders in order to rapidly advance in the development of the draft proposals that are included in this Consultation Paper. Furthermore, in accordance with the Commission's [call for advice](#), ESMA closely cooperated with the other two European Supervisory Authorities to ensure consistent and coherent recommendations from the three authorities.

Next steps

The consultation closes on 4 December 2020 and ESMA will deliver its final advice to the European Commission by 28 February 2021.

Notes for editors

1. [ESMA30-379-325 Consultation Paper – Draft advice to EC under Article 8 of the Taxonomy Regulation](#)
2. [Regulation \(EU\) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation \(EU\) 2019/2088](#)
3. [Directive 2014/95/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups](#)
4. [Regulation \(EU\) 2019/2088 on sustainability-related disclosures in the financial services sector](#)
5. [Regulation \(EC\) No 1606/2002 on the application of international accounting standards](#)
6. [Commission Regulation \(EC\) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation \(EC\) No 1606/2002 of the European Parliament and of the Council](#)
7. [Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings](#)
8. [Directive 2011/61/EU on Alternative Investment Fund Managers](#)
9. [Directive 2009/65/EC on the coordination laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities \(UCITS\)](#)
10. ESMA is the European Union’s securities markets regulator. Its mission is to enhance investor protection and promote stable and orderly financial markets. It achieves these objectives through four activities:
 - i. assessing risks to investors, markets and financial stability;
 - ii. completing a single rulebook for EU financial markets;
 - iii. promoting supervisory convergence; and
 - iv. directly supervising specific financial entities.
11. ESMA achieves its mission within the European System of Financial Supervision (ESFS) through active cooperation with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board, and with national authorities with competencies in securities markets (NCAs).

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