

# ESAs consult on Environmental, Social and Governance disclosure rules

These standards have been developed under the EU Regulation on sustainability-related disclosures in the financial services sector (SFDR), aiming to:

- strengthen protection for end-investors;
- improve the disclosures to investors from a broad range of financial market participants and financial advisers; and
- improve the disclosures to investors regarding financial products.

The SFDR empowers the ESAs to develop Regulatory Technical Standards (RTS) on the content, methodology and presentation of ESG disclosures both at entity level and at product level. In addition, the consultation paper contains proposals under the recently agreed Regulation on the establishment of a framework to facilitate sustainable investment ([Taxonomy Regulation](#)), on the do not significantly harm (DNSH) principle.

## **Entity-level principal adverse impact disclosures**

The principal adverse impacts that investment decisions have on sustainability factors should be disclosed on the website of the entity, and the proposals set out rules for how this public disclosure should be done. The disclosure should take the form of a statement on due diligence policies with respect to the adverse impacts of investment decisions on sustainability factors, showing how investments adversely impact indicators in relation to

- climate and the environment; and
- social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The ESAs have included draft indicators for adverse impacts, based on consultations with the Joint Research Centre of the European Commission and the European Environment Agency.

## **Product level ESG disclosures**

The sustainability characteristics or objectives of financial products should be disclosed in their pre-contractual and periodic documentation and on their website. The proposals included in the draft RTS indicate the rules for how this disclosure should be carried out, ensuring transparency to investors regarding how products meet their sustainability characteristics or objectives. They also set out the additional disclosures that should be provided by products that have designated an index as a reference benchmark.

Finally, the product level proposals set out suggested provisions for

disclosing how a product based on sustainable investments complies with the DNSH principle.

### **Next steps**

The ESAs welcome feedback to this consultation by 1 September 2020. Following the close of the consultation the draft RTS will be finalised and submitted to the European Commission.

### **Legal basis and background**

On 22 March 2019, the Council published the text of the political agreement on the proposed regulation on sustainability-related disclosures in the financial services sector (SFDR). The Regulation was published in the Official Journal on 9 December 2019 as Regulation (EU) 2019/2088.

On 18 December 2019 the Council and European Parliament announced that they had reached a political agreement on a Regulation on the establishment of a framework to facilitate sustainable investment. On 15 April the Council adopted the Regulation paving the way for adoption in the European Parliament and subsequent publication in the Official Journal. This regulation sets out additional empowerments in SFDR for the ESAs to develop technical standards on disclosure.

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## **[ESAs consult on environmental, social and governance disclosure rules](#)**

The three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) have today issued a [Consultation Paper](#) seeking input on proposed environmental, social and governance (ESG) disclosure standards for financial market participants, advisers and products.

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on disclosure.

[Go to the consultation](#)

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## **COVID-19: Council adopts rules to help EU fishermen**

The Council today adopted new rules intended to mitigate the impact of the COVID-19 outbreak on the fishery and aquaculture sector. The new rules take the form of amendments to the regulation on the European maritime and fisheries fund (EMFF) and the regulation on the common market organisation (CMO). They are expected to enter into force by the end of the week.

The new act introduces the following specific measures:

- support in relation to the temporary cessation of fishing activities with a maximum co-financing rate of 75 % of eligible public expenditure
- support in relation to the temporary suspension or reduction of aquaculture production and sales
- inclusion of fishermen on foot as eligible for support in case of temporary cessation
- derogation for temporary cessation for new vessels
- flexibility in order to use 10% of the budgetary funds allocated to Union Priority 3
- granting working capital and compensating the reduction of sales and additional storage costs for aquaculture farmers and processors
- provisions for Outermost regions adapted to deal with the consequences of the crisis

In relation to storage, the new rules also provide for support to producer organisations and associations of producer organisations for the storage of fishery and aquaculture products. The quantities eligible for storage aid will be increased to 25 % of the annual quantities of the products concerned. Further to that, an amendment to the CMO regulation makes possible the resort to the storage mechanism if member states have not set and published trigger prices. It also allows aquaculture producer organisations to benefit from the storage mechanism.

The expenditure for the operations supported under these new measures will be eligible as of 1 February 2020.

The Council's vote on the amendments was taken by means of a written procedure, which was concluded today. The European Parliament voted on 17 April. Both institutions negotiated and processed the proposal as a matter of urgency.

It is expected that the amending regulation will be published in the EU Official Journal on 24 April 2020. It will enter into force on the day following that of its publication.

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## [Mozambique: Council adopts conclusions](#)

The Council today adopted conclusions on **Mozambique**, reiterating the EU's **availability to support** the country in the steps needed to address the current situation.

In its conclusions the Council recalls the importance of the **Peace and National Reconciliation Agreement** signed in August 2019 by the government of Mozambique and RENAMO, the Mozambican National Resistance. While restating its support to the agreement, the Council stresses the importance of disarmament, demobilisation and reintegration, as well as effective decentralisation, which are crucial for a long-lasting reconciliation.

The Council also expresses concerns over the continuously deteriorating security and humanitarian situation in the **Cabo Delgado** province, and calls upon the Mozambican authorities to take effective action in order to protect citizens, carry out investigations to bring perpetrators to justice, and identify the role of terrorist organisations.

In light of the situation, the Council underlines the EU's readiness to **engage in a dialogue** to determine effective options for **assistance**, and to support relevant cross-border cooperation between Mozambique and its neighbours. The EU also stands ready to work with Mozambique to promote **sustainable economic transformation** and diversification, and to support Mozambique in the necessary economic and political governance reforms.

Finally the EU reiterates its solidarity to Mozambique and stands ready to support the government in its efforts to mitigate the effects of the **COVID-19 pandemic** on the health sector, as well as its broader humanitarian, social and economic impact, affecting the people of Mozambique and particularly the poorest and most vulnerable.

The Council conclusions were adopted by written procedure.

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## [Press release – President Sassoli](#)

## press conference following his intervention at EU Summit



Parliament, [in its resolution adopted on 17 April](#) on EU action to combat the COVID-19 pandemic, called for joint EU action to continue post-lockdown, “recovery bonds” guaranteed by the EU budget and an EU Coronavirus Solidarity Fund of at least EUR 50 billion.

The briefing will take place in the Anna Politkovskaya pressroom and via Skype.

Parliament will be using an interactive virtual press environment (with interpretation) based on Skype TX, in conjunction with the traditional EbS and web-streaming services.

### **If you wish to ask a question:**

- **You will need a SKYPE account.**
- **Connect to VOXBOXEP and write your name and media organisation in the chat box**

Please use headphones and a microphone for better sound quality.

The system will be managed by Parliament’s media services and you will be placed in a queue (virtual waiting room) before being invited to ask your question(s).

If you have any trouble connecting, you can contact: +32 22834220.

After asking a question / listening to the reply (and any follow-up), you should then disconnect from Skype so that the next journalist in line can be connected to the press briefing room.

**You should only connect through Skype if you wish to ask a question.**

- **You can follow the press conference LIVE on [EP MMC](#) or [EbS+](#).**

**REMINDER: working conditions in Parliament for journalists in light of Coronavirus**

In an effort to reduce the spread of the COVID-19 virus, Parliament is reducing the need for physical meetings on its premises, without compromising its role of democratic scrutiny nor its ability to approve the necessary legislative measures to combat the virus and support the public, consumers, businesses and emergency services.

Those parliamentary activities still taking place will be web-streamed and can be followed by the media without requiring your physical presence on EP premises.

You are therefore advised not to come in person unless absolutely necessary. If you do, you are requested to respect the standard recommended guidelines on social distancing and hygiene. Please refrain from coming to EP premises if you present any symptoms of a respiratory infection, if you have knowingly been in contact with an infected person in the last 14 days or if you have been to regions with very high transmission rates.

For updated guidance see:

<https://www.ecdc.europa.eu/en/geographical-distribution-2019-ncov-cases>

[https://www.rki.de/DE/Content/InfAZ/N/Neuartiges\\_Coronavirus/Risikogebiete.html](https://www.rki.de/DE/Content/InfAZ/N/Neuartiges_Coronavirus/Risikogebiete.html)