

13 July 2023

## ESMA Public Statement on Sustainability Disclosures Expected in Prospectuses

### Overview

On 11 July 2023, the European Securities and Markets Authority (ESMA) published a [Public Statement](#) on the sustainability disclosures expected to be included in prospectuses.

The primary objectives of the Public Statement are to:

- i. ensure that national competent authorities (NCAs) adopt a coordinated approach to the scrutiny of sustainability-related disclosures included in prospectuses;
- ii. provide issuers and their advisory teams with an understanding of the disclosure that NCAs will expect them to include in their prospectuses; and
- iii. support investors' ability to make an informed investment decision considering the increased importance of disclosure relating to sustainability-related matters.

In this respect, ESMA has set out its expectations on how the specific disclosure requirements of the Prospectus Regulation<sup>1</sup> pertaining to sustainability-related matters in both equity and non-equity prospectuses should be satisfied.

ESMA emphasises the importance of issuers' non-financial reporting under the Non-Financial Reporting Directive<sup>2</sup> and the future sustainability reporting under the Corporate Sustainability Reporting Directive<sup>3</sup>, particularly since such disclosure may be material under the Prospectus Regulation and included in the prospectus.

With regards to non-equity securities advertised as taking into account specific Environmental, Social and Governance (ESG) components or pursuing ESG objectives, the Public Statement clarifies the disclosures required in relation to 'use of proceeds' bonds and 'sustainability-linked' bonds.

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<sup>1</sup> Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC

<sup>2</sup> Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups

<sup>3</sup> Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting

The Public Statement also refers to sustainability-related disclosures which are sometimes included in advertisements but not in prospectuses themselves, and highlights that such disclosures should be included in prospectuses if they are deemed material under the Prospectus Regulation.

## **Next Steps**

While the Statement is addressed to NCAs, its contents should be taken into account by issuers and their advisory teams when drawing up prospectuses, including sustainability-related disclosure.

ESMA and NCAs are expected to continue monitoring the market to determine whether this guidance should be modified.

## **Contacts**

Should you have any queries regarding the above, please do not hesitate to contact us on [listings@mfsa.mt](mailto:listings@mfsa.mt).