

ESMA guidelines: key requirements

Name categories	Examples of relevant terms	ESMA requirements
Funds using: transition-, social-, governance related terms	“transition”, “improve”, “progress”, “evolution”, “transformation, “net-zero”	<ul style="list-style-type: none"> • Minimum 80% of investments used to meet E or S characteristics or sustainable investment objectives in accordance with binding elements of the investment strategy • Application of the Climate Transition Benchmarks (CTB) exclusions • Funds using transition-related terms should ensure that investments are on a clear and measurable path to social or environmental transition
Funds using: Environmental or impact related terms	“green”, environmental”, “climate”, “ESG”, “SRI”	<ul style="list-style-type: none"> • Minimum 80% of investments used to meet E or S characteristics or sustainable investment objectives in accordance with binding elements of the investment strategy • Application of Paris-aligned Benchmarks’ exclusions (PAB) • Funds using impact-related terms should ensure that investments are made with the objective to generate a positive and measurable impact alongside a financial return
Funds using: sustainability related terms	“sustainable”, “sustainably”, “sustainability”	<ul style="list-style-type: none"> • Minimum 80% of investments used to meet E or S characteristics or sustainable investment objectives in accordance with binding elements of the investment strategy • Application of PAB exclusions • Commitment to invest meaningfully in sustainable investments as per SFDR