

CONCLUSIONS OF THE JOINT EUROPEAN SUPERVISORY ACTION ON SUSTAINABILITY IN THE ASSET MANAGEMENT SECTOR

13 October 2025

- Focus on the integration of sustainability risks and the disclosure of sustainability-related information
- Concludes that compliance is overall satisfactory considering the novel nature and recent adoption of the regulations, while identifying vulnerabilities and areas with significant room for improvement
- Twelve ESMA recommendations addressed to supervisory authorities and market participants have been published

Today, the CNMV published the main conclusions of the Common Supervisory Action (CSA) on the integration of sustainability risks and the disclosure of sustainability information in the asset management sector¹. This initiative, undertaken jointly by ESMA and other National Competent Authorities (NCAs), aimed to assess, foster and enforce compliance of supervised entities with the Sustainable Finance Disclosure Regulation (SFDR), the Taxonomy Regulation, and the provisions introduced by AIFMD and UCITS Directive implementing measures on the integration of sustainability risks.

Key findings:

- The level of compliance with sustainability risk integration and disclosure requirements reported by the various NCAs is overall satisfactory given the innovative nature and recent implementation of the relevant regulations. Nonetheless, there remains significant room for improvement in both the integration of sustainability risks and related disclosures.
- Among the vulnerabilities identified, the use of vague or overly general language and the presence of incomplete or insufficient information are particularly noteworthy.
- Several NCAs also reported issues in relation to information on Principal Adverse Impact (PAI) indicators: some mandatory PAIs are missing, and there are deficiencies in information regarding the methodology and data used to assess alignment with the objectives of the Paris Agreement.
- Regarding the integration of sustainability risk, certain deficiencies were identified, including the absence of documented procedures and mechanisms for solving non-compliance cases.
- Concerning product disclosures, environmental or social characteristics are at times not clearly articulated in pre-contractual documentation, making them difficult to

¹ The ESMA report, published on 30 June 2025, can be consulted at the following [link](#)

measure or verify, and are often expressed too generically (e.g. “the product promotes environmental characteristics”, “the product pursues social objectives”). Several inconsistencies were also found between pre-contractual, periodic, and marketing materials. Furthermore, given that the definition of “sustainable investment” (Article 2(17) SFDR) allows for the discretionary determination of qualifying criteria, a range of non-comparable approaches are currently applied. ESMA notes that this limitation is expected to be mitigated through the future establishment of product categories.

- Certain NCAs identified management companies with a limited number of staff dedicated to sustainability matters, a lack of criteria or indicators to assess how remuneration policies align with sustainability risk integration, and an absence of controls to verify that ESG strategies are underpinned by reliable data or metrics.

The report concludes with twelve recommendations addressed to NCAs and market participants (“ESMA Views”) in light of the CSA’s findings:

- 1) Managers should implement policies and procedures that duly consider sustainability risks and ensure their effective integration into risk management procedures.
- 2) Managers should recruit and retain staff with the skills, knowledge and experience necessary for the effective integration of sustainability risks and provide regular training to enhance sustainability-related competencies.
- 3) NCAs are encouraged to monitor supervised entities to ensure that adequate measures are taken to mitigate greenwashing risks.
- 4) NCAs should verify that the consistency of remuneration policies with the integration of sustainability risks is clearly detailed in the relevant documentation. ESMA considers that improvements are needed in the accuracy of sustainability metrics, such as ESG risk scores or other relevant indicators.
- 5) NCAs should continue to ensure that PAI statements are fully compliant with the provisions of the SFDR Delegated Regulation.
- 6) NCAs are urged to develop tools enabling them to monitor the information disclosed by entities, for example by verifying its consistency with the actual investments undertaken.
- 7) It is essential to ensure that product information published on websites is easily accessible, fair, clear and not misleading. Such information should be easy to locate, comprehensible to all investors, and presented in plain language, avoiding jargon or overly technical terms.
- 8) NCAs should continue to assess the appropriateness of fund names and request further explanation where these do not correspond to the fund’s investment

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objectives, policies or strategy. The ESMA Guidelines on ESG fund names serve as a key reference for NCAs in this regard.

- 9) NCAs should remain vigilant regarding information disclosed about the “sustainable investments” of funds (as defined in Article 2(17) SFDR), considering the PAI indicators for the purposes of the “Do No Significantly Harm” (DNSH) principle. All mandatory indicators should be considered for both pre-contractual and periodic DNSH disclosures.
- 10) Overly general references to the Sustainable Development Goals (SDGs) should be avoided when explaining the contribution of “sustainable investments” to sustainability objectives, in order to ensure that disclosures are fair, clear and not misleading.
- 11) NCAs should develop supervisory tools that enable them to effectively monitor product-related disclosures.
- 12) ESMA acknowledges the general preference among NCAs for adopting escalated supervisory measures rather than enforcement actions. While recognising the discretion afforded by the current regulatory framework, ESMA reiterates the importance of making full use of all supervisory and enforcement tools available under applicable law.

The CNMV will continue to perform its supervisory functions in the field of sustainability, in cooperation with ESMA and other national authorities, and considering ESMA’s recommendations.