JOINT COMMITTEE OF THE EUROPEAN SUPERVISORY AUTHORITIES

Response form for the Joint Consultation Paper concerning ESG disclosures

23 April 2020

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ESMA 34-45-904

European Securities and Markets Authority | EUROPEAN BANKING AUTHORITY | EUROPEAN INSURANCE AND OCCUPATIONAL PENSIONS AUTHORITY | JOINT COMMITTEE OF THE EUROPEAN SUPERVISORY AUTHORITIES

Responding to this paper

The European Supervisory Authorities (ESAs) invite comments on all matters in this consultation paper on ESG disclosures under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector (hereinafter "SFDR") and in particular on the specific questions summarised in Section 3 of the consultation paper under "Questions to stakeholders".

Comments are most helpful if they:

- contain a clear rationale; and
- describe any alternatives the ESAs should consider.

When describing alternative approaches the ESAs encourage stakeholders to consider how the approach would achieve the aims of SFDR.

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

Q1 Insert your responses to the questions in the Consultation Paper in the present response form.

Q2 Please do not remove tags of the type <ESA_QUESTION_ESG_1>. Your response to each question has to be framed by the two tags corresponding to the question.

Q3 If you do not wish to respond to a given question, please do not delete it but simply leave the text "TYPE YOUR TEXT HERE" between the tags.

Q4 When you have drafted your response, name your response form according to the following convention: ESA_ESG_nameofrespondent_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESA_ESG_ABCD_RESPONSEFORM.

Q5 The consultation paper is available on the websites of the three ESAs and the Joint Committee. Comments on this consultation paper can be sent using the response form, via the ESMA website under the heading 'Your input - Consultations' by **1 September 2020**.

Q6 Contributions not provided in the template for comments, or after the deadline will not be processed.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise in the respective field in the template for comments. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESAs rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESAs Board of Appeal and the European Ombudsman.

Data protection

The protection of individuals with regard to the processing of personal data by the ESAs is based on Regulation (EU) 2018/1725[1]. Further information on data protection can be found under the Legal notice section of the EBA website and under the Legal notice section of the EIOPA website and under the Legal notice section of the ESMA website.

[1] Regulation (EU) 2018/1725 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, OJ L 295, 21.11.2018, p. 39.

General information about respondent

Name of the company / organisation	MIROVA
Activity	Investment Services
Are you representing an association?	☐
Country/Region	France

Introduction

Please make your introductory comments below, if any:

<ESA_COMMENT_ESG_1>

Mirova is an investment manager dedicated to sustainable investment, affiliate of Natixis Investment Managers. Through a conviction-driven investment approach, Mirova's goal is to combine value creation over the long term with sustainable development. Mirova has been involved in the European Commission's works on sustainable finance since their beginning, with Philippe Zaouati, Mirova's CEO, appointment as a member of the HLEG on sustainable finance. Philippe Zaouati has advocated in favor of more transparency from part of Financial Markets Participants (FMPs) on sustainability.

Mirova is very much in favor of sustainability disclosure obligations for financial market participants. In our view, the objective of such provisions is double. ESG disclosure helps investors to better understand the links between financial markets and sustainability. It also creates positive peer pressure to enhance the integration of sustainability considerations within investment practices. In this regard, it is therefore important not only to prevent greenwashing but also to provide investors with the possibility to assess products with E&S characteristices (article 8 of the Disclosure Regulation) or with sustainability objectives (article 9 - DR) on the same basis as "classical"/ other financial products and entities, and to **have similar disclosure obligations for classical and ESG products and entities**.

Mirova does support the ESA's rationale to request more disclosure so as to encourage market and data structuration. We consider that such disclosure is necessary both at entity level, as well as at portfolio level. In this regard, the approach needs to be consistent between the entity and portfolio levels. Regarding assessment at entity level, we believe it is more relevant to **breakdown disclosure asset class per asset class**, and to avoid mixing equities, bonds, projects when disclosing an indicator (otherwise aggregating these data would provide meaningless results).

The list of indicators provided in annex 1 target the right environmental and social issues. However, in our experience, **indicators that merely consolidate raw data may do not always – and even rarely - provide information that can be easily interpreted and used by final investors** to assess the real adverse impact of a financial firm / a financial product on sustainability. In order to ensure that the data provided does provide useful and useable information for final investors, we suggest an alternative list of indicators designed to measure entities (and funds') overall exposure to principal adverse impacts.

The list of indicators that we suggest respect a few fundamental principles that are the basis of Mirova's ESG research. We apply these principles in our ESG research in order to ensure that our analysis is both realistic and ambitious from a sustainability point of view:

- **Presenting risks but also opportunities in disclosure**: we overall support the Commission's approach to support disclosure of principal adverse impacts on sustainability: this is a shift in the analysis of materiality that seems to us extremely meangingful. We would even go one step further, and support simultaneous disclosure of positive and negative impacts on sustainability, so as to provide investors with a comprehensive picture.

- **Using estimates**: we are aware that disclosure is often insufficient and that methodologies are far from being harmonised at the European level. We agree with the EU though that requesting more disclosure will encourage disclosure and methodologies' progressive convergence in order to ensure that sustainability is evaluated in a meaningful way so as to support investment decisions favorable to a sustainable economy.

In this regard, we suggest to disclose information on several parameters that will provide investors with a good understanding of entities/ products' actual exposure and potential impact on sustainabiilty, taking into account available data and what type of information can be really used by end investors: disclosure should first concern **exposure** to a specific PAI **(share of investment** in certain industries), and assess impact either through thourough **impact indicators and proxies (controversies)**. These indicators will be made even more useful if they are put in perspective with the rest of the market (index comparison) and in time.

<ESA_COMMENT_ESG_1>

- **: Do you agree with the approach proposed in Chapter II and Annex I – where the indicators in Table 1 always lead to principal adverse impacts irrespective of the value of the metrics, requiring consistent disclosure, and the indicators in Table 2 and 3 are subject to an "opt-in" regime for disclosure??**

<ESA_QUESTION_ESG_1>

We are comfortable with this approach as long as the list of compulsory indicatorsin (table 1) is sufficient to provide a complete picture of the sustainability performance of investments.

<ESA_QUESTION_ESG_1>

- **: Does the approach laid out in Chapter II and Annex I, take sufficiently into account the size, nature, and scale of financial market participants activities and the type of products they make available?**

<ESA_QUESTION_ESG_2>

Such disclosure clearly requires some investments on sustainability research. It might be worth considering a simplified reporting template for small players (e.g. < 500 M€ AuM), focusing for instance only on some of the easiest KPIs to report on such as share of investments on specific activities (oil and gas, tobacco, green techs…)

<ESA_QUESTION_ESG_2>

- **: If you do not agree with the approach in Chapter II and Annex I, is there another way to ensure sufficiently comparable disclosure against key indicators?**

<ESA_QUESTION_ESG_3>

We believe that establishing comparable disclosure between Financial Market Participants is the right objective but it is a long-term objective that will not be achieved rapidly, since methodological choices and data remain extremely diverse and unmature at this stage. For instance, on climate change, even if financial market participants agree to report on Scope 1, 2 and 3 emissions, there are very different ways to calculate these emissions which could lead to very different results, even starting from the same scope. It is therefore extremely important to harmonise disclosure requirements for all products and market participants (and make no differentiation between classical entities / products and those with a sustainability dimension), in order to foster the maturation of methodologies and data. Also, in order to help end-users understand the sustainability impact of investments, it is therefore highly necessary to put the indicators disclosed in a comparative perspective, disclosing the results for the same indicators based on the same methodologies for

(a) Privious years
(b) one or several indexes.

<ESA_QUESTION_ESG_3>

- **: Do you have any views on the reporting template provided in Table 1 of Annex I?**

<ESA_QUESTION_ESG_4>

The list of indicators provided in annex 1 target the right environmental and social issues. However, we consider that the list of indicators proposed in annex 1 can be improved by implementing two principles:

- **Presenting risks and opportunities in disclosures** : we see as crucial the provision of information on the adverse impact of a product / an entity on sustainability. However, the positive impact of FMP and of a product on sustainability should be put in perspective: we suggest to disclose in the same documents information related to positive impacts and information related to the share of investments funding environmentally sustainable activities (as per the taxonomy regulation provisions);
- **Using estimates.** In most cases, data disclosed by issuers are not sufficient to provide a meaningful information. Furthermore, it is very hard to ensure consistency from one issuer to another. As a consequence, in most cases, ESG disclosure for financial players should build on proxys to face these issues. Our conviction is that a good proxy is better than the absence of information or an exact figure on a meaningless indicator. Such an approach would also help to avoid a traditional “large cap bias” on ESG, as large companies usually have better communication capabilities than smaller ones.

These principles can be implemented through different kind of indicators:

- **Share of investment** on specific activities, such as % of investment on fossil fuels, on tobacco, on the green taxonomy…
- **Impact indicators** such as t CO2, job created, share of woman at executive position.
- **Controversies review.** Accounting of how many companies have been through significant controversies policies on specific sustainability matters.

We consider that all types of indicators need to be implemented to provide a complete picture of a portfolio/an entity.

Regarding impact indicators, we consider that such figure would need to fulfil the following criteria:

- **Take into account the entire life cycle:** the analysis of environmental and social issues requires consideration of the entire life cycle of products and services, from the extraction of raw materials to the end of product life.
- **Targeted and differentiated issues / sector-specific approach**: some environmental issues and to a certain extent, social issues are relevant only for some specific sectors.
- **Provide perspective data / relative data rather than absolute raw data.** To illustrate the performance of a portfolio / an entity, disclosure should rely as much as possible on ratios rather than absolute figure. We consider that absolute figure are difficult to interpret and to compare, especially as the size of funds can be very different. For instance, using absolute figures, a small entity investing massively in fossil fuels might not be differentiated from a bigger size entity that has massively reduced its exposure to fossil fuels because the figures disclosed for carbon emissions might be almost similar.

In order to provide a complete picture to the end-user, such indicators needs to be put in perspective through:

- **Index comparison.** Even with more advanced disclosure requirement, it is unlikely that impact indicators can be compared from one financial player to another. Indeed, sustainability assessment can give very different results according to some methodological choice. In order to help end-users understand the sustainability impact of investments, it is necessary to compare it to one or several indexes, using the same methodology.
- **Time.** Beyond index comparison, providing results over time, both for portfolio and index could also help to understand the sustainability performance of a portfolio. As sustainability data tend to have some kind of inertia, time comparison would need to be done at least with four or five years backtrack.

Eventually, even if impact reporting can help to better understand the performance of a portfolio, quantitative figure without explanation can often be misleading. We consider that such reporting would need also to provide some qualitative comments, explaining the figures. Especially, it is important to understand whether the entity / the portfolio is implementing some policy to improve the indicator or if it has only a passive approach on it.

<ESA_QUESTION_ESG_4>

- **: Do you agree with the indicators? Would you recommend any other indicators? Do you see merit in including forward-looking indicators such as emission reduction pathways, or scope 4 emissions (saving other companies´ GHG emissions)?**

<ESA_QUESTION_ESG_5>

On the basis of our answers above, we suggest to modify the reporting template of table 1 as follows. We suggest indeed to assess exposure in the main industries where a PAI (either on climate or biodiversity) is evidenced and / or where the level of controversies is high, so as to provide relevant information for end investors. We have not so far included controversies where negative impacts are only partially evidenced (ex: agriculture, textile, IT…) in order to avoid making the results of disclosure much more complex / less easy to read and understand by end investors. We then suggest to assess a few limited but meaningful impact indicators linked with these exposure indicators. When impact indicators are not easily available, we suggest to resort to a review of controversies (the implementation of policies being not, at the end of the day, really a significant proxy in our experience).

ENVIRONMENT

Exposure to key industries (%AuM)

		N	N-1	N-2	N-3	N-4
Coal	Investments					
	Index					
Oil	Investments					
	Index					
Gas	Investments					
	Index					
Nuclear	Investments					
	Index					
Pesticides	Investments					
	Index					
GMOs	Investments					
	Index					

		N	N-1	N-2	N-3	N-4
Green activities (compliant with the future comprehensive EU taxonomy)	Investments					
	Index					
Climate-friendly activities (current state of EU taxonomy)	Investments					
	Index					

Comments:
- Exposure to fossil fuels, coal, oil and gas, should include extraction but also other parts of the value chain such as transportation or electricity production
- Some potential additional KPIs could include exposure to unconventional oil and gas (e.g. shale gas, tar sands, etc.), split per type of clean technologies (e.g. renewables, energy efficiency etc.)
- Green activities should be compliant with the upcoming EU taxonomy, when it will cover the 6 environmental objectives foreseen in the taxonomy regulation
- Climate friendly activities refer to the EU Taxonomy's current state of development (covering only climate-related objectives)

Impact indicators

		N	N-1	N-2	N-3	N-4
Induced emissions (Scope 1, 2, 3) *- tCO_2eq/M€ invested –*	Investments					
	Index					
Avoided emissions (Scope 1, 2, 3) *- tCO_2eq/M€ invested –*	Investments					
	Index					
Temperature - °C -	Investments					
	Index					

Comment: for the moment, Climate Change appears to be the only environmental impact indicators robust enough. Several initiatives have started to work on a biodiversity related impact indicator.

Electric Utility focus

		N	N-1	N-2	N-3	N-4
Share of electric utilities in investment *- % -*	Investments					
	Index					
Carbon factor - tCO_2/kWh -	Investments					
	Index					

Significant controversies with no / limited countermeasures implemented (%AuM)

		N	N-1	N-2	N-3	N-4
Environment	Investments					
	Index					

SOCIAL

Exposure to key industries (%AuM)

		N	N-1	N-2	N-3	N-4
Tobacco	Investments					
	Index					
Alcohol	Investments					
	Index					
Controversial weapons	Investments					
	Index					
Weapons	Investments					
	Index					
High sugar contents	Investments					
	Index					

Impact indicators

		N	N-1	N-2	N-3	N-4
Share of women in executive committee	Investments					
	Index					

Comment: building meaningful impact indicators on social issues is very difficult. We consider that, at this stage, only gender diversity is making sense

Significant controversies with no / limited countermeasures implemented (%AuM)

		N	N-1	N-2	N-3	N-4
Child Labour	Investments					
	Index					
Forced Labour	Investments					
	Index					
Health and Safety	Investments					
	Index					
Local communities	Investments					
	Index					

GOVERNANCE

Impact indicators

		N	N-1	N-2	N-3	N-4
Average CEO compensation *- Currency (€ or $) -*	Investments					
	Index					
Share of companies including CSR consideration in executive pay	Investments					
	Index					
Average tax	Investments					
	Index					

Commenté [LC1]:

Significant controversies with no / limited countermeasures implemented (%AuM)

		N	N-1	N-2	N-3	N-4
Business ethics	Investments					
	Index					

<ESA_QUESTION_ESG_5>

- **: In addition to the proposed indicators on carbon emissions in Annex I, do you see merit in also requesting a) a relative measure of carbon emissions relative to the EU 2030 climate and energy framework target and b) a relative measure of carbon emissions relative to the prevailing carbon price?**

<ESA_QUESTION_ESG_6>

The target to be respected, the Paris Agreement 2°C target, is in our view sufficient; mixing the information with other EU targets would make it more complicated for end investors to differentiate targets. One constant and meaningful target is sufficient.

<ESA_QUESTION_ESG_6>

- **: The ESAs saw merit in requiring measurement of both (1) the share of the investments in companies without a particular issue required by the indicator and (2) the share of all companies in the investments without that issue. Do you have any feedback on this proposal?**

<ESA_QUESTION_ESG_7>

We do not see much interest in asking the two measurements. Assessing the share of investments with an issue in total AUM is sufficient.

<ESA_QUESTION_ESG_7>

- : **Would you see merit in including more advanced indicators or metrics to allow financial market participants to capture activities by investee companies to reduce GHG emissions? If yes, how would such advanced metrics capture adverse impacts?**

<ESA_QUESTION_ESG_8>

Defining transition indicators is an issue on top of the agenda to date. In our understanding, disclosure on this issue would however rather correspond to disclosure obligations under the taxonomy regulation rather than the disclosure regulation. This type of indicators should be carefully reviewed though in order to prevent greewashing: transition initiatives must be assessed with regards to their level of ambition in absolute GHG emissions reduction on the one hand and with real time-constraint on the other hand. Enabling a transition should not be a pretext to slow down the pace of changes that need to be implemented. This being said, we support disclosing this type of data.

<ESA_QUESTION_ESG_8>

- **: Do you agree with the goal of trying to deliver indicators for social and employee matters, respect for human rights, anti-corruption and anti-bribery matters at the same time as the environmental indicators?**

<ESA_QUESTION_ESG_9>

Yes – disclosing on E, S and G is crucial. We do not expect a huge number of indicators to be disclosed but rather a limited number of meaningful indicators (as suggested in the tables above)

<ESA_QUESTION_ESG_9>

- **: Do you agree with the proposal that financial market participants should provide a historical comparison of principal adverse impact disclosures up to ten years? If not, what timespan would you suggest?**

<ESA_QUESTION_ESG_10>

We support the idea to observe trends in time. However, we consider that a 5 years timespan could be enough to make the information meaningful and easy to understand.

<ESA_QUESTION_ESG_10>

- **: Are there any ways to discourage potential “window dressing” techniques in the principal adverse impact reporting? Should the ESAs consider harmonising the methodology and timing of reporting across the reference period, e.g. on what dates the composition of investments must**

be taken into account? If not, what alternative would you suggest to curtail window dressing techniques?

<ESA_QUESTION_ESG_11>

In our view, the best ways to avoid window dressing are:

- transparent information on invested industries especially for sensitive ones;
- to implement the principles on which Mirova has based its research and data analysis (see our introduction above : life cycle analysis, risks and opportunities assessment, qualitative assessment, sector specific approach, time and index comparison, etc)
- disclose the climate temperature scenario for all entities and products on the basis of a common European methodology based on a life-cycle analysis.

Regarding the reference period, we consider that a picture of investments at the end of the year can be sufficient as a first step. This approach could be improved by using "average investments" as an alternative. But such an approach would require very significant investments on reporting capabilities.

<ESA_QUESTION_ESG_11>

- **: Do you agree with the approach to have mandatory (1) pre-contractual and (2) periodic templates for financial products?**

<ESA_QUESTION_ESG_12>

YES

<ESA_QUESTION_ESG_12>

- **: If the ESAs develop such pre-contractual and periodic templates, what elements should the ESAs include and how should they be formatted?**

<ESA_QUESTION_ESG_13>
TYPE YOUR TEXT HERE
<ESA_QUESTION_ESG_13>

- **: If you do not agree with harmonised reporting templates for financial products, please suggest what other approach you would propose that would ensure comparability between products.**

<ESA_QUESTION_ESG_14>

Comparability between products is the long-term objective and we should start its implementation now. It will certainly remain a challenge for the coming years with financial products and entities using a wide variety of methodologies. Regulators should encourage methodological convergence and maturation, in requesting that all methodologies respect a certain number of principles that will help ensure the data provided is meaningful and therefore useful. In our view, these principles should be the ones detailed above (see Q4):

- **Presenting risks and opportunities in disclosures**

- **Using meaningful estimates where current disclosure is insufficient**
- **Take into account the entire life cycle**
- **Provide perspective data / relative data rather than absolute raw data**
- **Compare disclosed information with market (index comparison) and in time, on the basis of the same methodology**

<ESA_QUESTION_ESG_14>

- **: Do you agree with the balance of information between pre-contractual and website information requirements? Apart from the items listed under Questions 25 and 26, is there anything you would add or subtract from these proposals?**

<ESA_QUESTION_ESG_15>
TYPE YOUR TEXT HERE
<ESA_QUESTION_ESG_15>

- **: Do you think the differences between Article 8 and Article 9 products are sufficiently well captured by the proposed provisions? If not, please suggest how the disclosures could be further distinguished.**

<ESA_QUESTION_ESG_16>

The provisions are rather clear, however it remains unclear to us:
-whether a product can be considered both article 8 and article 9
- how to prevent that article 8, that is extremely large (and too large in our view), become by default an ESG minimum standard.

<ESA_QUESTION_ESG_16>

- **: Do the graphical and narrative descriptions of investment proportions capture indirect investments sufficiently?**

<ESA_QUESTION_ESG_17>
TYPE YOUR TEXT HERE
<ESA_QUESTION_ESG_17>

- **: The draft RTS require in Article 15(2) that for Article 8 products graphical representations illustrate the proportion of investments screened against the environmental or social characteristics of the financial product. However, as characteristics can widely vary from product to product do you think using the same graphical representation for very different types of products could be misleading to end-investors? If yes, how should such graphic representation be adapted?**

<ESA_QUESTION_ESG_18>
TYPE YOUR TEXT HERE
<ESA_QUESTION_ESG_18>

- **: Do you agree with always disclosing exposure to solid fossil-fuel sectors? Are there other sectors that should be captured in such a way, such as nuclear energy?**

<ESA_QUESTION_ESG_19>

Yes we agree and we would also add non-solid fossil fuels, nuclear and all sensitive sectors (see our previous answers).

<ESA_QUESTION_ESG_19>

- **: Do the product disclosure rules take sufficient account of the differences between products, such as multi-option products or portfolio management products?**

<ESA_QUESTION_ESG_20>
TYPE YOUR TEXT HERE
<ESA_QUESTION_ESG_20>

- **: While Article 8 SFDR suggests investee companies should have "good governance practices", Article 2(17) SFDR includes specific details for good governance practices for sustainable investment investee companies including "sound management structures, employee relations, remuneration of staff and tax compliance". Should the requirements in the RTS for good governance practices for Article 8 products also capture these elements, bearing in mind Article 8 products may not be undertaking sustainable investments?**

<ESA_QUESTION_ESG_21>

These good governance practices should be disclosed for all products, not only article 8 or 9. We believe that disclosure obligations should be the same for all entities and products, in order to ensure comparability.

<ESA_QUESTION_ESG_21>

- **: What are your views on the preliminary proposals on "do not significantly harm" principle disclosures in line with the new empowerment under the taxonomy regulation, which can be found in Recital (33), Articles 16(2), 25, 34(3), 35(3), 38 and 45 in the draft RTS?**

<ESA_QUESTION_ESG_22>
TYPE YOUR TEXT HERE
<ESA_QUESTION_ESG_22>

- **: Do you see merit in the ESAs defining widely used ESG investment strategies (such as best-in-class, best-in-universe, exclusions, etc.) and giving financial market participants an opportunity to disclose the use of such strategies, where relevant? If yes, how would you define such widely used strategies?**

<ESA_QUESTION_ESG_23>

Yes and the ESAs should make a clear definition of what can be considered merely good practices but not as sustainable investment. Transparency on these strategies is key to prevent greenwashing

<ESA_QUESTION_ESG_23>

- **: Do you agree with the approach on the disclosure of financial products' top investments in periodic disclosures as currently set out in Articles 39 and 46 of the draft RTS?**

<ESA_QUESTION_ESG_24>
TYPE YOUR TEXT HERE
<ESA_QUESTION_ESG_24>

- **: For each of the following four elements, please indicate whether you believe it is better to include the item in the pre-contractual or the website disclosures for financial products? Please explain your reasoning.**
- **an indication of any commitment of a minimum reduction rate of the investments (sometimes referred to as the "investable universe") considered prior to the application of the investment strategy - in the draft RTS below it is in the pre-contractual disclosure Articles 17(b) and 26(b);**
- **a short description of the policy to assess good governance practices of the investee companies - in the draft RTS below it is in pre-contractual disclosure Articles 17(c) and 26(c);**
- **a description of the limitations to (1) methodologies and (2) data sources and how such limitations do not affect the attainment of any environmental or social characteristics or sustainable investment objective of the financial product - in the draft RTS below it is in the website disclosure under Article 34(1)(k) and Article 35(1)(k); and**
- **a reference to whether data sources are external or internal and in what proportions - not currently reflected in the draft RTS but could complement the pre-contractual disclosures under Article 17.**

<ESA_QUESTION_ESG_25>
TYPE YOUR TEXT HERE
<ESA_QUESTION_ESG_25>

- **: Is it better to include a separate section on information on how the use of derivatives meets each of the environmental or social characteristics or sustainable investment objectives promoted by the financial product, as in the below draft RTS under Article 19 and article 28, or would it be better to integrate this section with the graphical and narrative explanation of the investment proportions under Article 15(2) and 24(2)?**

<ESA_QUESTION_ESG_26>
TYPE YOUR TEXT HERE
<ESA_QUESTION_ESG_26>

- **: Do you have any views regarding the preliminary impact assessments? Can you provide more granular examples of costs associated with the policy options?**

<ESA_QUESTION_ESG_27>
TYPE YOUR TEXT HERE

<ESA_QUESTION_ESG_27>