

Response form for the Joint Consultation Paper concerning ESG disclosures





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:

- Insert your responses to the questions in the Consultation Paper in the present response form.
- 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.
- 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.
- 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.
- 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**.
- 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) 2018/1725¹. 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	NFU – Nordic Financial Unions
Activity	
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	Sweden

Introduction

Please make your introductory comments below, if any:

<ESA_COMMENT_ESG_1>

NFU – Nordic Financial Unions is an organization that promotes the interests of the Nordic financial trade unions in Europe. Through a high level of competence and dialogue, NFU contributes to shaping a sustainable financial sector, fundamental for job creation. Currently, NFU represents seven trade unions in the bank, finance and insurance sector in Denmark, Finland, Iceland, Norway and Sweden.

For more information, please visit www.nordicfinancialunions.org

For NFU, speaking about sustainable finance means to pursue an orientation to holistically use the ESG approach in making people and community-centered decisions, and to tailor all societal aspects to meet the present and future needs of citizens in a flexible, inclusive and self-sufficient way. We acknowledge that the scope of the discussion needs to be extended to allow for an all-inclusive, holistic ESG approach. At the same time, representing the views of finance sector employees and trade unions, we find that they are both important stakeholders in the implementation of regulation, providing consumer protection and advice, as well as ensuring financial literacy.

We therefore welcome the discussion on the RTS concerning ESG disclosures and the efforts put by the ESAs in preparing for the consultation process. We acknowledge the intention by the ESAs to deliver on the social and employee, respect for human rights, anti-corruption and anti-bribery matters. However, and as mentioned throughout the consultation, we have several points that we wanted to highlight:

- Financial advisers and finance sector employees in general stand at the forefront of the implementation of any regulation, and are often the ‘face’ of the financial system to consumers. This is why the employee perspective plays a key role in the successful design and implementation of policies. Additionally, in the Nordic countries, most of the finance sector employees are organized in trade unions, who in turn are the most prominent stakeholder to represent the views of employees. Both employees and trade unions hold potential to contribute to a successful the shift to sustainability. The participation of trade unions in the reporting process of non-financial information is therefore important to consider in a number of ways.

- An important aspect to have in mind is the need for training schemes for employees, to contribute to a successful implementation of such regulation and the wanted effects and results. Proper, proportional and continuous training which could, for example, cover the Agenda 2030, the EC strategy on sustainability, sustainable/green finance with specific attention made to the holistic approach of ESG criteria, would make it possible for employees, particularly in advisory functions, to gain the needed competencies on sustainability, sustainable finance and ESG criteria. Training schemes should be continuous, quality, employer-supported and carried out during working hours. Competence, as well as enough time and resources are essential components of providing personalized advice that aligns with the customer’s sustainability preferences, and ensuring sound consumer protection. Additionally, training information and training materials to employees should be provided in the language spoken to customers, to create the most optimal connection between new gained competences and their applicability in daily life.

These considerations are not visible in the impact assessment annexed to the consultation, as when referring to ESG integration and costs for companies, the focus seems to have been placed on the acquisition of data only, and less on data interpretation and usage when, for example, providing advice to consumers.

To achieve that, employees' competences need to be developed and impact to their implementation and work environment also duly considered if the end goal of the disclosure rules is to be achieved, including specialized dilemma training for employees in sales and advisory functions.

- Policy coherence is much needed on EU level, given the ongoing processes with the Taxonomy Regulation, its expansion to include social objectives, the Renewed Sustainable Finance Strategy, and the ongoing review of the Non-financial Disclosure Directive (NFDR). We find that the RTS need to reflect these developments in order to provide a uniformed and comprehensive approach to avoid clashes and contradictions and achieve the sought-after effects.

- In connection to the latter, and given that the Commission is set to publish a report by the end of 2021 on the expanding of the scope of the Taxonomy with social objectives, which coincides with the ESAs deadline on developing indicators in the field, there is a merit to use the time, and instead of finalizing the indicators now, to facilitate a better process surrounding that, especially given that no stakeholder with expertise in this field was consulted in the development of the indicators. We have provided more insights at Q9.

- We find it positive that the principle of 'do not significantly harm' (DNSH) has been addressed, as it is, among else, one of the connecting points between the Taxonomy and Disclosure Regulations. We see merit in further work in this area and share ESA's view that it would be useful if the relation between principle adverse impact and DNSH is further studied and clarified.

- Ultimately, and as mentioned throughout the consultation replies, the question of data – not only availability, but also consistency, comparability and vast 'data gaps' is one of the challenges, particularly given the different methodologies used by ESG data providers, which as such are proprietary information. We therefore see that it would be beneficial for specific definitions and clarifications to be included behind the various terms used in Annex I, in order to provide uniform understanding.

<ESA_COMMENT_ESG_1>

Q1 : 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 find it positive that the chosen approach goes beyond high-level statements, and in that way provides more granular information. We also see the intention behind the inclusion of mandatory and ‘opt in’ indicators with a single template, in the spirit of both stimulating comparability and flexibility. However, it is noteworthy to mention that there are no clear indications about the way in which the adverse impact would be determined as principle or if any guidelines should be followed for the selection of one of the 18 additional indicators.

Additionally, with a total of 50 mandatory and ‘opt in’ indicators altogether, out of which reporting on 34 would be needed and not considering the ‘do no significant harm’ requirement, it is implied that large amounts of data would be required. In addition to the data needs, it is essential to acknowledge that time, knowledge and skills by employees involved in both advisory and compliance functions are central, and their provision needs to be ensured. After all, the underlying aim with the disclosure requirements is to provide user-friendly tools and reliable and comparable data to assist consumers/investors with making sustainable choices, and finance sector employees are instrumental in that process. If developed well, these RTS could feed into the work of the Non-Financial Reporting Directive and be further used as a tool to evaluate the contribution to the fulfilment of Agenda 2030.

Furthermore, the question of data availability has been raised in several occasions, and to that, it is essential to add that the issue goes beyond availability, to data comparability and consistency, given the variety of methods used to gather and analyse the data, both by internal functions and by ESG data providers. Therefore, there is a reasonable potential for data misinterpretation, particularly in the indicators concerning social and employee matters. Just the indicator on ‘Number/rate of accidents, injuries, fatalities frequency’ can be addressed using different terminology and different unit of measure per company, making it rather challenging to compare but also invoking expertise in understanding what the different rates mean. Therefore, the more precise framework and definition of the indicators and methods to gather and analyse the data, the better and more consistent use of the same would be possible.

Ultimately, concerning certain practical aspects from Chapter II and Annex I:

- Article 7.2(b), mentions ‘any reasonable assumptions used’ in the context of situations where despite best efforts, information on the indicators cannot be obtained from the investee company. The term itself should either be clarified or excluded from the list of actions, as it might increase the level of risk if ‘filling the gap’ and various data imputation methods are practiced in order to potentially provide context to missing data.
- The title in Article 8 should be corrected by removing ‘and engagement policies’ in order to be consistent with Article 4(2)d.
- Article 10, including references to international standards might need to be clarified to facilitate understanding on what exactly is required under adherence in order to make it meaningful.
- Annex I, Point 1(a), while very valuable, the data on scope 3 emissions is particularly challenging to obtain, as considerations in that area are only at the beginning (Nordic Council of Ministers ‘A Nordic Pre-Study: Assessment and reporting of environment and climate-related risks and impacts on financial markets).
- Point 1 (t) and (v) it would be beneficial if the definitions on ‘gender pay gap’ and ‘human rights policy’ are aligned with the currently ongoing process of strengthening the principle of equal pay on EU level; and relevant UN developments, respectively.
- The question of the social indicators will further be addressed in Q9.

<ESA_QUESTION_ESG_1>

Q2 : 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>

The impact assessment provided in the scope of this consultation addresses the additional costs of integrating ESG considerations through relying on the impact assessment considered in the Action Plan on Sustainable Growth, and interviews with six firms who provided numbers on the ESG integration. However, the additional costs considered referred to ‘buying external data, doing additional internal research, engagement with companies etc’ i.e. obtaining data for the purpose of disclosure. No reference has been made to the next step – the usage and interpretation of the obtained data by employees, particularly in the provision of advice to customers and ensuring adequate competences in understanding the data, methodologies and regulatory needs. The costs, time or other resources needed for appropriate training and competence development of employees, potential impact to the working conditions and implementation of the rules needs to be taken into account when evaluating policy options. The actual usage of the data for both compliance and performing sales and advisory functions are both key activities to the regulation and the underlying rationale for disclosure.

<ESA_QUESTION_ESG_2>

Q3 : 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>

As stated above, while we understand the intention with the development of the indicators, we do see the need for further clarifications on how to approach the principle adverse impact and the selection of the additional indicators. Policy coherence is also something we would have wished for to a greater extent, given the developments with the Taxonomy Regulation, the Renewed Sustainable Finance Strategy, the NFRD and pending social objectives.

We also find that the environmental and social indicators should be addressed differently, as it is much more difficult to ‘prioritize’ one social indicator over the other as they are not as mutually exclusive. Additional ‘do no significant harm’ or safeguards need to be developed to better assess the social indicators.

<ESA_QUESTION_ESG_3>

Q4 : Do you have any views on the reporting template provided in Table 1 of Annex I?

<ESA_QUESTION_ESG_4>

In addition to the above, we also note that the template includes definitions of some of the mentioned terms throughout the indicators. It might be beneficial to include a complete list of definitions, also aligned with current regulatory developments, in order to ensure that there is uniformed understanding and thus better, more consistent reporting.

<ESA_QUESTION_ESG_4>

Q5 : 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>

There are merits in including forward-looking indicators, given the overall orientation of sustainable finance activities towards future impact, as long as the question of data limitations (already present for scope 3 now, among else) is addressed.

In terms of the indicators themselves, under the second segment of indicators (social and employee, respect for human rights, anti-corruption and anti-bribery matters), we see some overlaps where certain indicators relating to governance issues, are listed as social and employee matters (board gender diversity,

for example, which is a governance factor also in the TEG Report on Benchmarks, used for the development of the indicators by the ESAs).

Furthermore, we are also missing indicators that relate to workers' rights, such as freedom of association and collective bargaining; occupational health and safety; diversity and equality; quality work environments; violence and harassment; impact on local communities, and more. To evaluate social sustainability is equally important as the environmental and governance factors. To evaluate people's wellbeing, work environment/conditions and the ability to provide for themselves and contribute to a well-functioning society is fundamental.

Also, regarding 17. Implementation of Fundamental ILO Conventions, parts of this indicator are then reflected into other indicators under the heading, which might lead to confusion. Within the Taxonomy Regulation, the consideration of the Fundamental ILO Conventions was expanded to include other instruments, hence we suggest alignment with Article 18. We would also suggest an alternative language to some of the current indicators under the same category, such as the mention of the 19. CEO pay ratio (removing 'excessive'); 20. Board diversity (as a broader term than gender diversity); 21. Whistle-blower protection (removing 'insufficient') and more. Our general views are further reflected in Q9.

We also see a need to address the social indicators differently, as unlike the environmental ones, they need to be assessed beyond numbers, in terms of impact on health, wellbeing, employment/ use/quality/progress of the different policies that are being suggested.

<ESA_QUESTION_ESG_5>

Q6 : 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>

Option a) could lead to better understanding of the financial sectors' contribution to attaining the EU 2030 climate and energy framework target.

<ESA_QUESTION_ESG_6>

Q7 : 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>

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<ESA_QUESTION_ESG_7>

Q8 : 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>

TYPE YOUR TEXT HERE

<ESA_QUESTION_ESG_8>

Q9 : 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>

We appreciate the work put in by the ESAs in the development on the indicators, and can see the reasoning behind it. However, we would suggest that this work with the indicators is seen as step one, for several reasons.

Firstly, given that these indicators should be developed by the end of 2021, we find that this gives more time for a proper process around them to be put in place. This is on one hand because currently there are no defined social objectives in the context of sustainable finance, but with the Taxonomy Regulation, the Commission is obliged to deliver a report on expanding the scope of the Regulation to include such objectives also by the end of 2021. With this in mind, the ESAs and the Commission can work together into delivering on the social objectives, needed frameworks/definitions, and the indicators sooner rather than later, and ensuring consistency. It would also provide for better cohesion to have agreed social objectives on EU level defined on level 1, before there are indicators about social objectives, defined on level 2. We therefore see that there is space to organize a dialogue and work on improving the proposed indicators.

Secondly, the ESAs in their work so far did not consult with any stakeholder that has expertise in the above-mentioned field to inform the development of the indicators, including not using the expertise of the bodies listed in Recital 42 of the RTS, which were otherwise consulted for the climate and environmental goals. One predominant characteristic of the social and employee matters specifically is the gap between efforts and effects, which needs to be addressed in the template provided in Annex I.

Thirdly, in the process of developing the indicators on the social, employee matters etc. the ESAs relied on the TEG Report on Benchmarking, which is the only report that currently has any indicators included on social and employee matters. Some international instruments have been used as well which is commendable, however we find that the indicators could benefit a dialogue with stakeholders holding expertise in the mentioned areas.

In summary, we find that the ESAs should continue working on the development of these indicators, in light of the deadline of December 2021 and in coherence with the Commission's actions on the social **objectives**, and involve the parties with the appropriate competence. Finance sector employees and trade unions have the necessary capacity and possibility to add value in the process.

<ESA_QUESTION_ESG_9>

Q10 : 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>

Depending on the availability of data, the historical comparison of ten years might be too long. The need for forward-looking assessments, including a recommendation from the TCFD on using scenario analysis could be taken into account, given the aims of the sustainable finance activities.

<ESA_QUESTION_ESG_10>

Q11 : 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>

As mentioned in several occasions, the availability, relevance, consistency and comparability of data, and the different methodologies of data providers will play a significant role in the added value and understanding of the disclosed information. Additionally, one development under the current update of the NFRD has been the possibility/need of data auditing, in order to ensure a certain level of governance behind the reporting. For some types of data, such as employment issues, it is possible to use trade union

representatives for confirming the data, however with other categories of data that might prove to be more challenging.

<ESA_QUESTION_ESG_11>

Q12 : Do you agree with the approach to have mandatory (1) pre-contractual and (2) periodic templates for financial products?

<ESA_QUESTION_ESG_12>

We find that there is merit in developing such templates, as it might facilitate the reporting of data. Given the purpose of the periodic templates, it might be useful to explore the scope and methodologies over time, to allow for comparability and easy understanding of impact.

<ESA_QUESTION_ESG_12>

Q13 : 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>

Q14 : 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>

TYPE YOUR TEXT HERE

<ESA_QUESTION_ESG_14>

Q15 : 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>

Q16 : 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 difference could be made clearer by identifying in the recitals and Article 1 (Definitions) of the RTS on what exactly is understood when referring to products with environmental or social characteristics (or a combination of them), as opposed to products with a sustainable investment objective.

<ESA_QUESTION_ESG_16>

Q17 : 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>

Q18 : 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>

Q19 : 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>

The sectors that have been identified in the so-far work of the TEG and the European Commission should be included in the exposure scope.

<ESA_QUESTION_ESG_19>

Q20 : 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>

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<ESA_QUESTION_ESG_20>

Q21 : 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>

While Article 8 products might not undertake sustainable investments, both Article 8 and Article 2(17) refer to ‘good governance practices’ as a condition, and providing additional details might be beneficial for better understanding. What is exactly supposed to be reported under the further details (sound management structures, employee relations, remuneration of staff and tax compliance) should be further discussed.

Given the broad referencing, it might be useful that the RTS gather all governance-related indicators under a new subheading with the same name.

<ESA_QUESTION_ESG_21>

Q22 : 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>

We find that it is positive that the 'do not significantly harm' principles are being addressed, also because this is a connection between the Taxonomy Regulation and the Disclosure Regulation. The presentation of the proposals (through Table 1) might be better done separately. Furthermore, it is expected that the assessment on 'do not significantly harm' is a self-assessment, without any further details proposed or referenced, which could be insufficient and would again invoke broad competences needed to make such assessments. Therefore, it would have been more reassuring if this aspect is addressed in another way.

<ESA_QUESTION_ESG_22>

Q23 : 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>

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<ESA_QUESTION_ESG_23>

Q24 : 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>

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<ESA_QUESTION_ESG_24>

Q25 : 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.

- a) 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);
- 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);
- 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
- d) 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>

Concerning b), it would be a positive development, given that environmental and social characteristics would already be included. Concerning c) it might be useful to explore an alternative wording, given the

ongoing discussions about the lack of transparency of the methods used by ESG data providers. Technically, the entity when buying data, also 'buys in' to the methods used by ESG data providers, which are seen as proprietary information. Concerning d), the notion could complement the disclosures.
<ESA_QUESTION_ESG_25>

Q26 : 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>
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<ESA_QUESTION_ESG_26>

Q27 : 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>
Please kindly consult our answer to Q2.
<ESA_QUESTION_ESG_27>