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| 23 April 2020 |

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| Response form for the Joint Consultation Paper concerning ESG disclosures |
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| Date: 23 April 2020  ESMA 34-45-904 |

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:

1. Insert your responses to the questions in the Consultation Paper in the present response form.
2. 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.
3. 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.
4. 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.
5. 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](https://www.esma.europa.eu/press-news/consultations) under the heading ‘Your input - Consultations’ by 1 September 2020.
6. 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]](#footnote-2). Further information on data protection can be found under the [Legal notice](http://www.eba.europa.eu/legal-notice) section of the EBA website and under the [Legal notice](https://eiopa.europa.eu/Pages/Links/Legal-notice.aspx) section of the EIOPA website and under the [Legal notice](https://www.esma.europa.eu/legal-notice) section of the ESMA website.

# General information about respondent

|  |  |
| --- | --- |
| Name of the company / organisation | First State Investments |
| Activity | Investment Services |
| Are you representing an association? |  |
| Country/Region | UK |

# Introduction

Please make your introductory comments below, if any:

<ESA\_COMMENT\_ESG\_1>

First State Investments, also known as First Sentier Investors in Australia, is a global asset management business focused on providing high quality, long-term investment capabilities to our clients. We are responsible for approximately USD$148b assets under management on behalf of clients that include institutional investors, pension funds, wholesale distributors and platforms, financial advisers and their clients.

We take a long-term approach to investment with a focus on preserving capital and performance through market cycles, rather than trying to achieve short-term gains. We recognise the importance of responsible investment and that Environmental, Social and Governance (ESG) issues impact investment value. We believe we can achieve better long-term investment outcomes through active engagement with companies and by exercising the equity ownership rights we hold on behalf of our clients.

We have significant concerns regarding the timetable for the introduction of the SFDR in that it does not allow for sufficient time to make mandated changes to pre contractual disclosures and gain the required approvals for such changes from regulatory bodies both within and outside of Europe before the proposed implementation date of March 10th 2021.

Material changes to regulated fund prospectuses such as those required by the RTS will require regulatory approvals and pre notification to unitholders. There are regulator enforced time periods for such actions which the SFDR timetable appears to have not taken into account when setting the regulation commencement date. Until the final standards have been published by the ESA’s, investment managers cannot complete the changes required and begin the approval process. Organizing and managing shareholder votes to change fund prospectuses can take over 3 months to complete and would therefore be impossible to meet for March as details from the ESA’s in January will not allow sufficient time.

We would urge that the implementation date is deferred until the end of 2021 to allow time for a proper and considered implementation of the disclosure requirements and for all regulatory approvals to be achieved.

<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>

FSI support efforts to empower end-investors to make informed decisions on where to allocate their saving, pensions and other investments based on increased transparency from asset managers. We do however have concerns around the approach proposed in Chapter II and Annex I.

Specifically, we have concerns that it is not in keeping with the spirit of the Level 1 text in that it does not, in fact, support financial market participants to identify and prioritise **principal** adverse sustainability impacts and indicators (Regulation (EU) 2019/2088, Article 4 (2) (a)). Instead, it prescribes the assessment of certain specified adverse impacts and indicators and by consequence precludes firms from using their own skill and judgement in relation to what constitutes potential adverse impacts. This is particularly relevant to actively managed (as opposed to passive index funds) investments.

We also question the value to investors and their advisers in aggregating scores of a firm’s portfolios. Although we support the identification of adverse impacts and requiring a narrative disclosure as to how firms address them, firm-level calculations do not help investors to compare and contrast the most appropriate product for them. We, for instance, have sustainable equity and fixed income teams – an aggregation of the adverse impacts of those teams together will not be meaningful.

The approach also sets a range of sustainability issues and associated metrics where there is currently little data available in the market for financial institutions to acquire and utilize. Therefore no data statements might be misconstrued by investors as being ignored as irrelevant by the institution and result in poor quality and meaningless disclosures. The final RTS needs to specifically allow firms to refer to the lack of data sources in the PIA statement itself. For some assets classes (e.g. emerging markets debt, the data is not and will likely not for some considerable time be available).

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<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>

FSI have no objections to the approach proposed in addition to the comments made above.

<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 are supportive of proposed Articles 5, 7, 8, 9, and 10, as set out in the consultation Chapter II.

For Article 6 and its accompanying tables in Annex I we would propose that a minimum set of environmental and social indicators are mandated with others being optional in relation to the specific asset classes and sectors that are part of the portfolio’s composition. This would ensure comparability on universally key indicators but also flexibility for firms to determine which others are principal.

We are supportive of the direction of travel however for practical purposes we would propose starting with a set of mandated criteria with a view to moving to a more comprehensive set in future as more data and higher levels of corporate disclosure emerge.

We would propose that the following are mandated

**Environmental**

|  |  |
| --- | --- |
| **Greenhouse Gas Emissions** | 1. Carbon emissions (broken down by scope 1, and 2 carbon emissions (*not scope 3*) including agriculture, forestry and other land use (AFOLU) emissions - and in total) |
| 2. Carbon footprint |
| 3. Weighted average carbon intensity |
| 4. Solid *and non solid* fossil fuel sector exposure  Propose: Climate Scenario Analysis – Paris Agreement alignment |
| **Energy Performance** | 5. Total energy consumption from non-renewable sources and share of non-renewable energy consumption |
| **Biodiversity** | 9. Biodiversity and ecosystem preservation practices  11. Deforestation |
| **Water** | 12. Water Emissions  13. Exposure to areas of high water stress |

**Social**

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| --- | --- |
| **Social and Employee** | 17. Implementation of fundamental ILO Conventions |
|  | 20. Board gender diversity CEO Pay Ratio  Plus: Workplace accident rates data |
| **Human Rights** | 23. Human rights policy |
|  | 26. Operations and suppliers at significant risk of incidents of child labour  27. Operations and suppliers at significant risk of incidents of forced or compulsory labour  28. Exposure to controversial weapons |
| **Bribery & Corruption** | 30. Anti-corruption and anti-bribery policies  32. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws |

We would also propose that the disclosure allows a narrative disclosure to explain a firm’s view on such issues where data is insufficient or not available.<ESA\_QUESTION\_ESG\_3>

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

<ESA\_QUESTION\_ESG\_4>

Please see response to Question 3.

<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>

Forward-looking science based indicators, or targets, are emerging as a part of asset managers’ views of the long term risks and value at risk for portfolios. We would support the mandatory disclosure of such information along with a caveat statement that the models used are imperfect and such be viewed in such a context however this information would not sit comfortably as an “Adverse Impact” as it is future looking and all other disclosure metrics are backward looking.

We would suggest adding: forward looking narrative would be really useful – companies that have committed to net zero, narrative around 2 degree scenario and a company’s narrative around emission reduction and exposure to climate change/emissions reduction solutions.

<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>

Whilst this might be helpful in theory, existing methodologies for such calculations would be too underdeveloped to form mandatory disclosures at this stage. <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>

Some investors may be interested in such a measure, but its overly simple nature runs the risk of misrepresenting the ways in which asset managers are contributing to sustainability.

For example, a portfolio may have a large share of its investments in companies that are in transition to a low carbon, Paris aligned business model. A simple representation of this would miss the transition story without the opportunity to provide an explanatory narrative.

We are seriously concerned that the inclusion of further granularity in the proposed disclosures runs the risk of overloading investors with information and disengaging them. <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>

Advanced indicators to help assess whether a company is on a path to a Paris aligned low carbon transition would be helpful, but it is unclear exactly what these are. It will be important that methodologies to develop as such advanced indicators are given time to develop and gain market acceptance before any mandatory application.

<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>

FSI support this goal.

<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 do not believe that a 10 year history is relevant from an investor’s perspective and that the generally accepted view of what constitutes a long term investment horizon is between 5 and 7 years. We would refer the ESA’s to Cambridge University’s Investment Leaders Groups publication “Taking the Long View – A toolkit for long term sustainable investment mandates” [[2]](#footnote-3) which was co-authored by FSI and found that as part of this research, that 5 years was generally held as a widely accepted long term view.

<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>

We would not encourage methods targeted at discouraging **“**window dressing”. Investment managers have duties to act in the best interests of their clients. It would a serious breach of investment objectives and limits to buy and sell investments to manipulate how sustainable a portfolio looks at a particular point in time. This is at odds with fiduciaries stewardship obligations and creates a conflict of interest by putting the reputation of the firm ahead of the interests of the client.

<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>

We agree with the approach and are supportive of efforts to improve the comparability of products through more consistent disclosures where they are meaningful and add value to clients and their advisers in choosing between different financial products.

Although templates are helpful, by their nature they may hamper the necessary flexibility to make disclosures that are relevant to the full range of responsible and sustainable investment products that are on offer. This has practical implications for “Umbrella Prospectuses” where are number of funds sit within a single prospectus . Different investors will have a wide range of sustainability preferences, and any mandatory templates need to help these investors choose the right products for their particular needs and goals.

<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>

We support the UK Investment Association’s feedback on this point (set-out below for convenience).

The requirement to only refer to “binding” elements of the investment process is problematical – managers can always be expected to exercise discretion. So a process is binding, but the choices within it are discretionary. It is then difficult to see what aspects to the process can’t be referred to. We would like to ability to able to disclose non-binding strategies as long as it is clearly stated that they are non binding

The Article 8 statement: “This product does not have as its objective sustainable investment” is also problematic. It won’t be understood by the retail market. An A8 fund which pursues environmental characteristics and reports on them would be understood by the retail market in general terms as a sustainable fund. A different formulation of this sentence should be made to state something to the effect that “This product does not have as its objective an environmental or social impact”.

Also, the references to “”sustainable investment objectives” in Article 16(2) in relation to Article 8 funds seems incorrect – these funds don’t have this objective (just ES characteristic being promoted).

Any mandatory pre-contractual or periodic disclosures should focus on facilitating disclosures in line with the below.

1. In what way a product has environmental or social characteristics and/or pursues sustainability objectives to generate positive impact alongside financial return.
2. How this is reflected in investment objective, if at all
3. How the investment strategy intends to achieve the objective
4. A description of the investment process, including an explanation of how manager discretion is applied, i.e. whether sustainable investment constraints on the fund are binding or otherwise
5. Any third-party framework(s) that have been used if they have genuinely been used to achieve the objective and are part of the process, and where a product has been designed on an ex-ante basis specifically with the framework in mind and dictating the universe of investments.

<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>

We support the UK’s Investment Association response on this question set out below:

We understand that the templates are intended to be inserted into existing documentation but to sit separately from existing disclosures. As per our response to Question 13, we would prefer sustainability information to be integrated into existing disclosures, including in the investment objective and investment policy.

<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>

Pre-contractual disclosures should be kept clear and meaningful. They should refer to what is binding for that particular fund. They should include only the information that is most relevant to investors to enable informed decision making.

We support the approach whereby extensive disclosures at product-level are on the firm’s website, provided that other documents refer to the link where such information can be found including sustainability related policies.

We would suggest removal of the graph and narrative from the pre-contractual disclosures – these are better kept on a website.

<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 distinctions between Articles 8 and 9 is unclear and not helped by poor drafting in the consultation paper which mixes terms between Article 8 and Article 9 products.

The concept of an environmental or social characteristic promoted by an A8 product / strategy is not clear. Does this mean the characteristics of the companies invested in (not the characteristics promoted by the fund)?

We would propose that Article 9 funds should include products with a demonstrable sustainability objective but not be limited to Impact Funds which is the current legal and industry interpretation.

We also believe that Article 8 products should not qualify if they are subject to a firm wide exclusion policy (or a legal requirement in a certain jurisdiction) without any binding ESG integration exhibited in the investment process.

It is also not clear whether ESG integration alone is sufficient to make a fund Article 8 and we are concerned that A8 funds that are marketed with “sustainable” in the name will further confuse end investors.

We would welcome further clarity on these points.

<ESA\_QUESTION\_ESG\_16>

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

<ESA\_QUESTION\_ESG\_17>

We have concerns that this information may not be particularly clear or meaningful for investors as they may not be well versed with the differences and descriptions between sustainable and non sustainable.

Dividing an investment product into segments that are deemed sustainable, as having social or environmental characteristics, and others does not help to communicate the overall objective and strategy of the fund and where that fund is towards delivering that objective. For most A8 funds for instance, they may simply intend to invest 100% on investments which contribute to the characteristics.

It will be more helpful to describe the objective and investment process of the fund as a whole as opposed to breaking it down into these categorisations. <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>

We agree that a prescriptive approach for graphical representations in that context will be misleading to investors.

We are therefore against the establishment of a standard graphical representation but would welcome a flexible approach in using this type of disclosure supplemented by less prescriptive narrative explanations with an emphasis on meaningfulness rather than comparability.

Potentially the requirement will produce meaningless disclosures - an Article 8 fund would simply be planning to invest 100% in assets selected in accordance with the investment process which integrates ES factors. The periodic report would report that 100% of the investments have been selected in accordance with that process.

<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>

We strongly favour the disclosure requirements (with appropriate narrative) capture exposure to all fossil fuel sectors (not limited to solid).

<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>

We have confidentiality concerns regarding the required disclosures for segregated accounts – the details should not be made public since there is no purpose in anyone other than the particular client seeing the disclosures.

<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>

FSI believe that an understanding of and implementation of investment approaches supporting good governance should not differ between Article 8 and Article 9 products. The rules should be the same for both Article 8 and Article 9 products.

<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>

We have concerns around the “do not significantly harm” principle as proposed. It is unclear as to what additional value this requirement adds over and above the disclosure requirements in the draft RTS in relation to the binding sustainability characteristics and adverse impacts.

Moreover, article 16 (2) imposes a significant statement requirement on funds in the Article 8 category that they do not have a sustainable investment objective. We therefore do not understand why a requirement to state “how investments that significantly harm the sustainable investments objectives are excluded” is required for a product that doesn’t not have a sustainable investment objective.

For Article 9 products, this is a significant disincentive to invest in and support companies that are demonstrably on a transition path to a low carbon or sustainability centric business model in a sustainability oriented product.

<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>

We agree that it can be confusing for investors (and market commentators) to understand the diverse range of sustainable and responsible investment approaches that exist in the market today, but we would not advocate for the ESAs to define these approaches but adopt as acceptable references industry standards that have emerged such as from Eurosif and the UK’s Investment Associations RI Framework.

<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>

We support the UK’s Investment Association response on this question as set out below:

We understand the reasoning behind asking for average holdings and appreciate the risk of “window dressing”, should a financial market participant seek to manipulate how their holdings look at a point of time.

However, we do not think that the action proposed to prevent this risk is justified, given the confusion it would cause to investors.

The proposed calculations would appear in a report alongside the portfolio statement as prescribed, within periodic reports required under UCITS and AIFMD, which is based on holdings at the year-end. Moreover, many different marketing materials also list largest holdings at a point in time. This confusing picture is only exacerbated by the figures having to be calculated for holdings that make up 50% of the portfolio on average over the year.

These calculations must be changed to a snapshot at the balance sheet date.

If any financial market participant were to seek to manipulate a particular view of their underlying holdings, that particular individual should be called out as and when it occurs. It should not serve to change things for all market participants and investors before the situation has even arisen. We would suggest that disclosures be made for any material changes in the top 25 holdings during the year in place of using a weighted average. This alternative solution would address window-dressing concerns whilst being practical from an operational perspective as well as informative.

<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>

1. Pre-contractual
2. Website
3. Website

<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>

FSI have no strong view on this question

<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>

FSI have looked at the potential costs to meet the requirements as described in the draft RTS which will include legal services, marketing related, ESG data related and administrative fees and have estimated that this will be a minimum of GBP 250,000.

<ESA\_QUESTION\_ESG\_27>

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. [↑](#footnote-ref-2)
2. <https://www.cisl.cam.ac.uk/resources/sustainable-finance-publications/taking-the-long-view-a-toolkit-for-long-term-sustainable-investment-mandates> [↑](#footnote-ref-3)