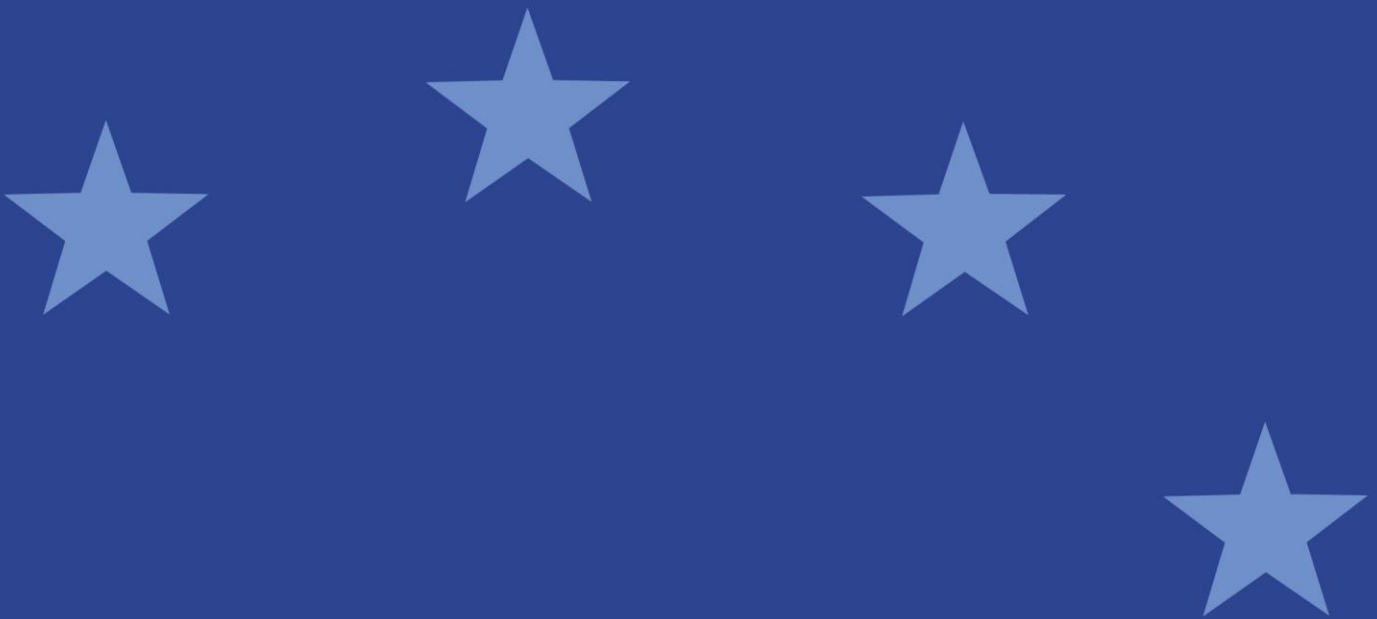


Response form for the Joint Consultation Paper concerning Taxonomy-related sustainability disclo- sures





Responding to this paper

The European Supervisory Authorities (ESAs) welcome comments on this consultation paper setting out the proposed Regulatory Technical Standards (hereinafter “RTS”) on content and presentation of disclosures pursuant to Article 8(4), 9(6) and 11(5) of Regulation (EU) 2019/2088 (hereinafter Sustainable Finance Disclosure Regulation “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 12 May 2021.
- 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	ASPIM
Activity	Investment Services
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	France

Introduction

Please make your introductory comments below, if any:

<ESA_COMMENT_ESG_1>

Who is ASPIM?

The Association française des Sociétés de Placement Immobilier (ASPIM) – the French association for Real Estate investment companies – promotes, represents and defends the interests of its members, managers of alternative investment Real Estate funds (SCPI, OPCI and other AIFs).

Created in 1975, this not-for-profit Association represents companies that manage portfolios of Real Estate assets for an asset value of €180 bn (2019) for the French market. Its 84 members, Portfolio Management Companies, and other unlisted Real Estate AIFs are authorised entities accredited by the Autorité des Marchés Financiers (AMF).

We welcome the SFDR RT and support the sustainable finance agenda

ASPIM strongly supports the sustainable finance agenda and shares the EU’s political goal to channel investment towards the climate transition in order to fulfil its commitments under the Paris Agreement. We are resolutely committed to promote the integration of ESG standards into the management of Real Estate AIFs and to ensure they are involved in completing ambitious goals on social responsibility. To this end, ASPIM helped set up in 2016 a Social Charter for its members and is now leading an industry-initiative for the setting-up of a public Socially responsible investment (SRI) label approved by the French Ministry of finance and economy dedicated to the AIFs in Real Estate. The label should be published very soon.

Real Estate accounts for almost one third of emissions of greenhouse effect gases and is the first sector in terms of energy consumption. We are conscious of the fact that Real Estate is a key sector for climate change mitigation and the decarbonisation of the economy. ASPIM recognises that in that respect, Real Estate portfolio management companies, which hold and directly manage property assets, have potential for direct action. ASPIM is fully supportive of an ambitious and well-calibrated European taxonomy and associated disclosures that would encourage the sector to more sustainable and transparent practices.

Our feedback and recommendations for Taxonomy-related sustainability disclosures

ASPIM welcomes the proposed amendments to the SFDR RTS, pursuing an objective of transparency and accuracy. Overall, the ASPIM is in favor of modifying the SFDR RTS and approves the proposed pre-contractual and periodic templates. Our feedback mainly focuses on the KPI calculation and associated definitions (e.g. “Market Value”) for which we would recommend to have further details, in order to ensure consistent and comparable results across the industry. ASPIM and its members would be in favor of having concrete examples (e.g. case studies) and applications for the Real Estate investment sector, to ensure a correct understanding of the expectations and requirements regarding the KPI calculation.

<ESA_COMMENT_ESG_1>



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Q1 : Do you have any views regarding the ESAs' proposed approach to amend the existing SFDR RTS instead of drafting a new set of draft RTS?

<ESA_QUESTION_ESG_1>

A single RTS report is preferable to both simplify and clarify the general RTS.

Therefore, **ASPIM approves the ESAs' proposal to amend the existing SFDR RTS** final report instead of writing a new set of draft RTS.

<ESA_QUESTION_ESG_1>

Q2 : Do you have any views on the KPI for the disclosure of the extent to which investments are aligned with the taxonomy, which is based on the share of the taxonomy-aligned turnover, capital expenditure or operational expenditure of all underlying non-financial investee companies? Do you agree with that the same approach should apply to all investments made by a given financial product?

<ESA_QUESTION_ESG_2>

ASPIM notes that, to date, few details have been provided regarding the KPI calculation and associated definitions, in particular for Real Estate investment and Asset Management companies. It is indicated in page 22 of the Consultation paper that "taxonomy-aligned investments of the financial product shall be the sum of the market values of the following investments of the financial product", and that "for investments in Real Estate assets which qualify as environmentally sustainable economic activities, the market value of those investments."

We would like to point out that ASPIM members are mainly represented by two types of funds:

- SCPI (Sociétés Civiles de Placement Immobilier): exclusively Real Estate investment funds;
- OPCI (Organismes de Placement Collectif Immobilier): Real Estate investment funds, with the possibility of investments in other financial sectors. OPCI have for example the obligation to have a liquidity share of at least 5% of the fund.

As a result, ASPIM and its members recommend the following:

- **A distinction should be made between the Real Estate and financial components** of the KPI, to ensure transparency and clarity in the calculation (e.g. in the case of OPCI funds);
- **Further details should be provided regarding the calculation of the KPI** for Real Estate investments. ASPIM and its members recommend defining the "**Market Value of the investment**" using either (i) The **fair value** of the assets (ii) or the **rents** received on the assets.
- **Investments that are not eligible to the taxonomy** such as liquidities (e.g. in the case of OPCI funds) **should be excluded** from the denominator calculation. Further information regarding this recommendation are provided in our answer to question 6 of this response form.

<ESA_QUESTION_ESG_2>

Q3 : Do you have any views on the benefits and drawbacks of including specifically operational expenditure of underlying non-financial investee companies as one of the possible ways to calculate the KPI referred to in question 2?

<ESA_QUESTION_ESG_3>
TYPE YOUR TEXT HERE

<ESA_QUESTION_ESG_3>

Q4: The proposed KPI includes equity and debt instruments issued by financial and non-financial undertakings and real estate assets, do you agree that this could also be extended to derivatives such as contracts for differences?

<ESA_QUESTION_ESG_4>

We would like to point out that in the case of Real Estate investment funds, the share of derivatives is marginal:

- No derivatives at all in the case of SPCIs (Real Estate investment funds);
- Possibly a few derivatives in the case of OPCIs (Real Estate investment funds, with the possibility of investments in other financial sectors).

Due to the minor importance of derivatives in the case of Real Estate, **ASPIM and its members recommend to exclude derivatives from the KPI calculation.**

<ESA_QUESTION_ESG_4>

Q5: Is the use of “equities” and “debt instruments” sufficiently clear to capture relevant instruments issued by investee companies? If not, how could that be clarified? Are any specific valuation criteria necessary to ensure that the disclosures are comparable?

<ESA_QUESTION_ESG_5>

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<ESA_QUESTION_ESG_5>

Q6: Do you have any views about including all investments, including sovereign bonds and other assets that cannot be assessed for taxonomy-alignment, of the financial product in the denominator for the KPI?

<ESA_QUESTION_ESG_6>

We believe that only investments that are eligible to the taxonomy, and thus **present actionable levers to reach the taxonomy technical thresholds**, should be included in the denominator calculation.

As a result, in the specific case of Real Estate investment companies, **ASPIM and its members recommend to exclude liquidities** – which, for example, account for at least 5% of the OPCIs' funds – and any other asset that cannot be assessed for taxonomy-alignment **from the denominator calculation.**

<ESA_QUESTION_ESG_6>

Q7: Do you have any views on the statement of taxonomy compliance of the activities the financial product invests in and whether those statements should be subject to assessment by external or third parties?

<ESA_QUESTION_ESG_7>

Assessment by external or third parties can be resource-intensive, complex and costly.

As a result, **ASPIM and its members approve the ESAs' proposal to have this assessment optional**, leaving the possibility to have the statement's compliance under the entity's responsibility, validated by its own legal and compliance teams.

However, to ensure consistency and comparability we also believe the KPI's calculation should be further clarified. Please refer to our answer to question 2 of the response form.

<ESA_QUESTION_ESG_7>

Q8 : Do you have any views on the proposed periodic disclosures which mirror the proposals for pre-contractual amendments?

<ESA_QUESTION_ESG_8>

Having similar contents for periodic disclosures and pre-contractual documentation enables continuity and a clear follow-up of both the commitments to environmental objectives and the sustainability performance.

As a result, **ASPIM and its members approves the proposal to have periodic disclosures that mirror the proposed changes to the pre-contractual documentation.**

<ESA_QUESTION_ESG_8>

Q9 : Do you have any views on the amended pre-contractual and periodic templates?

<ESA_QUESTION_ESG_9>

We would like to highlight that the **pre-contractual and periodic templates are clear and relevant**, and ensure **continuity in the required disclosures**. The visual aspect of the templates makes them intelligible and coherent.

Therefore, **ASPIM and its members approves the pre-contractual and periodic templates**. They clearly put forward the graphical representation of the share of taxonomy-compliant investments (KPI) and as a result we recommend, once again, to have the calculation of this KPI clarified to ensure that the disclosures are comparable and consistent, in particular across the Real Estate sector.

<ESA_QUESTION_ESG_9>

Q10 : The draft RTS propose unified pre-contractual and periodic templates applicable to all Article 8 and 9 SFDR products (including Article 5 and 6 TR products which are a sub-set of Article 8 and 9 SFDR products). Do you believe it would be preferable to have separate pre-contractual and periodic templates for Article 5-6 TR products, instead of using the same template for all Article 8-9 SFDR products?

<ESA_QUESTION_ESG_10>

We note that the objective of these modified RTS is to unify, simplify and allow comparisons between different products.

As a result, **ASPIM and its members approve the proposal to use the same template for all Article 8-9 SFDR products.**

<ESA_QUESTION_ESG_10>

Q11 : The draft RTS propose in the amended templates to identify whether products making sustainable investments do so according to the EU taxonomy. While this is done to clearly indicate whether Article 5 and 6 TR products (that make sustainable investments with environmental objectives) use the taxonomy, arguably this would have the effect of requiring Article 8 and 9 SFDR products making sustainable investments with social objectives to indicate that too. Do you agree with this proposal?

<ESA_QUESTION_ESG_11>

We agree with the proposal to clearly identify the portion of Article 8 and 9 products aligned with the taxonomy. We do not see any disadvantage in indicating this information for Article 8 and 9 products with social objectives, **as long as the templates allow for narrative justification in addition to graphic representation.**

As a result, **ASPIM and its members approves the ESAs' proposal** to identify in the templates wether Article 8 and 9 SFDR products making sustainable investments, even those with social objectives, do so according to the EU taxonomy.

<ESA_QUESTION_ESG_11>

Q12 : 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_12>

TYPE YOUR TEXT HERE

<ESA_QUESTION_ESG_12>