

ANNEX II

Template Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: [complete]

Legal entity identifier: [complete]

Date:

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Sustainable investments contribute to environmental or social objectives and do not cause significant harm to environment and society.

The EU Taxonomy defines environmentally sustainable economic activities according to specific criteria. Not all sustainable investments with an environmental objective meet the EU Taxonomy criteria.

Pre-contractual information: Environmental and/or social characteristics [delete environmental or social if not applicable]

This product has some sustainability characteristics, but does not have sustainable investment as its objective

[include the environmental and/or social characteristic(s) promoted by the product and the [X]% of the product's investments that promote those characteristics — 250 character limit with spaces]

[if q%>0 use green icon and text:] Minimum sustainable investments = [q]%
[if q%=0 use grey icon, remove green box on the right and use text:] This product does not commit to making sustainable investments.

[if r%>0 use dark green icon and text:] Minimum EU Taxonomy investments = [r, calculated according to Article 17 of this Regulation]%
[if r%=0 use grey icon, remove dark green box on the right and use text:] This product does not commit to making EU Taxonomy investments.

This product **does not** consider the most significant negative impacts of its investments on the environment and society. *[use grey icon where the product does not]*

This product targets a reduction of ____ % of greenhouse gas emissions in the atmosphere by either in absolute value or compared to a reference universe. *[mention the date of achievement of the target]. [remove this statement and icon where the product does not have a]*

Commenté [A1]: We do not advise to split E and S as most financial products promoting extra-financial characteristics do so through the application of binding criteria based on ESG factors.

Commenté [A2]: Box n°1: no remark

Box n°2:

-We Advise to remove the summary description of the E/S characteristics as it is the same as the one described directly below and stakeholders (clients, regulators, etc.) are complaining about the length of the templates, hence the need not to repeat information so many times. In addition it is a heavy administrative burden for FMPs.
 -We advise to remove the notion of the % of the product investments that promote those characteristics, be it in terms of minimum or observed percentage. Indeed, this notion leads to confusion from clients as they will expect that products with a higher ratio will be "more" ESG than products with a lower ratio, whereas the level of the ratio has nothing to do with the stringency of the sustainability criteria. More detailed justification for this position will be provided in the answer to question n°33.

Box n°3 and 4: no remark on the pictograms and sentences. However, R is not included within Q so we advise to remove the inclusion sign. More information on this position will be provided in the answer to question n°3.

Box n°5: no remark

Box n°6: We advise to precise the KPI used to measure GHG emissions reduction targets. What about letting the possibility to disclose an emission reduction compared to a reference universe?

What are the environmental and/or social characteristics of this product? *[indicate the environmental and/or social characteristics promoted by the financial product and whether a reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

● **How do you measure how each of the environmental or social characteristics are met?** *[specify the sustainability indicators used]*

● **How does the use of derivatives contribute to the promotion of environmental or social characteristics?** *[for financial products that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain the environmental or social characteristics they promote, describe how the use of those derivatives meets those characteristics]*

● **What investments are not promoting the product's environmental or social**

Commenté [A3]: This question needs to be included in the first section about the environmental and/or social characteristics

characteristics, what is their purpose and are there any minimum environmental or social safeguards?

Commenté [A4]: We would suggest to move this question in the section about the E/S characteristics promoted by the financial product and not in the asset allocation.

~~*This product makes a minimum of [x]% sustainable investments. What are the objectives of the sustainable investments? (only include for financial products that make sustainable investments a description of the objectives and how the sustainable investments contribute to the sustainable investment objective. For the financial products referred to in Article 6,*~~

Commenté [A5]: This question needs to be moved to the Asset Allocation section

first paragraph of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes.



Does this product consider the most significant negative impacts of its investments on the environment and society (principal adverse impacts)?

- ☐ Yes, _____ [If the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]
- ☐ No [Indicate the reasons]

Commenté [A6]: This requirement is very confusing because Sustainable Investments may be qualified through the verification a positive contribution criteria that is not their alignment with the EU Taxonomy (e.g. alignment with SDG framework, etc.).

Commenté [A7]: We think that the way this question is framed is confusing. Indeed, the fact that an investment is “sustainable” is independent from the strategy of the financial product, it is an intrinsic characteristic of the investment analyzed. In addition, it has been further clarified that there should be consistency in the way FMPs classify investments as Sustainable (SFDR 2.17) across their product range. As a consequence, an Article 8 product can commit to invest a minimum share of its investments into “Sustainable Investments” (SFDR 2.17) without having a specific E or S objective for the Sustainable Investment pocket considered. We advise to frame this question differently to more clearly state that what is to be described here is the methodology to determine that each investment is or not a Sustainable Investments in the meaning of SFDR 2.17.

This question has been moved below.

Commenté [A8]: We do not understand the reference to Article 11 as there is in any case a question in the periodic report template. We would advise to reference here a link to the website where the policy to take into account PAI indicators is available, unless they are taken into account in a perfectly idiosyncratic manner, in which case the description made here should be exhaustive.

Commenté [A9]: It should be clarified that such a target can only be an indicator constraining the product as opposed to being the objective of the product.

Commenté [A10]: The regulatory ask needs to explicitly allow to use a combination of factors (a, b, c) to achieve the reduction in GHG emissions. We cannot attribute ex post either the target reduction to each of the factors (e.g. we cannot quantitatively measure the impact of engagement; it is not desirable to attribute the reduction in GHG emissions of the product to the underlying factors (a) divestment from GHG intensive companies or (b) investment in companies with GHG emissions reduction targets. We believe that the added complexity far outweighs the benefits of the added transparency).

Commenté [A11]: It should be clarified whether we are asking to disclose the share of investments as a percentage of the total assets (ie including non relevant asset such as ancillary liquidity asset, hedging derivatives etc.) or as a percentage of the eligible assets (ie excluding ancillary liquidity asset, hedging derivatives etc.)



Does this product have a greenhouse gas (GHG) emission reduction target?

- ☐ Yes: [If the financial product has, as per its investment management policy, a GHG emission reduction target in accordance with Article 14a(1) of this Regulation, provide a narrative explanation about the way the target will be achieved, indicating whether the financial product (a) divests from investments with particular GHG emissions levels and invests instead in companies with lower GHG emissions; and/or (b) invests in companies that are expected to deliver GHG emissions reductions over the duration of the investment; and/or (c) engages with investee companies to contribute to their GHG emissions reduction and/or (d) other. In case of (d), explain the approach used. Indicate which is the share of the investments of the financial product covered by the GHG emission reduction target and when the target is achieved only by a share of investments, indicate the target of that share of investments.]
- ☐ No [If the financial product does not have a GHG emission reduction target in accordance with Article 14a(1) of this Regulation, do not include any subsequent question related to the topic below and proceed to the next section “What investment strategy does this product follow?”]

- **What is the greenhouse gas emission reduction target of the product?** [Fill in the table below, with information on the baseline GHG emissions, the final and intermediate targets and the corresponding years. The baseline financed GHG emissions and the targets shall be calculated in accordance with Article 14a(2) of this Regulation. Financial market participants shall indicate if the data on the investee companies’ GHG removals and storage and/or the purchase of carbon credits are not readily available and include details of the best efforts used to obtain the information either directly from investee companies, or by carrying out additional research, cooperating with third-party data providers or external experts or making reasonable assumptions. Financial market participants shall disclose the share of the investments for which the data are available.]

	[Baseline year]	[Date of expected achievement of intermediate target]	[Add columns for other intermediate targets, where applicable]	[Date of expected achievement of the final target]
GHG emission reduction targets (tCO ₂ -eq/€M)	[GHG emissions in tCO ₂ -eq/€MM, not including			

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[Include notes only for financial products that consider PAI] **Principal adverse impacts** are the most significant negative impacts on the environment and society including employee matters, human rights, corruption and bribery.

[Include notes only for financial products that have a GHG emission reduction target] **Greenhouse gases (GHG)** are those gases, including carbon dioxide, that are responsible for the “greenhouse effect”. The increased concentration of these gases in the atmosphere is the cause of global warming.

This product is not aiming at limiting global warming to 1.5 degree Celsius.

[include only for financial products that have a GHG emission reduction target] Information on progress towards the target will be available in the periodic reports [add link to periodic reports where available] and additional details are available here [add link to website].

	carbon removals and storage and credits]			
GHG removals and storage (tCO ₂ -eq/€M) [include row where relevant]				
Carbon credits used by investee companies and/or purchased by the financial market participant (tCO ₂ -eq/€M) [include row where relevant]				

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The investment strategy guides investment decisions based on factors such as investment objectives and how much risk can be taken.

What investment strategy does this product follow? [provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis, and if this can't be guaranteed, explain why and how the investment products intends to deliver its sustainability/extra-financial characteristics.]

- **What commitments are made in the binding elements of the investment strategy regarding the environmental or social characteristics of the product?**
- **What is the committed minimum rate of reduction of investments according to the investments strategy?** [Where there is a commitment to reduce the scope of investments by a minimum rate, include an indication of the rate to reduce the scope of the investments considered prior to the application of the investment strategy]
- **How is it assessed whether the companies which are invested in, follow good governance practices, such as tax compliance or employee matters?** [include a short description of the policy to assess good governance practices of the investee companies]

Commenté [A12]: We advise to clarify what is intended here: the financial elements of the investment strategy or the extra-financial elements of the investment strategy or both. Indeed, we have had contradictory requirements in different European jurisdictions, which has been preventing us to implement the templates in an harmonized way across the different EU jurisdictions in which we operate.

Commenté [A13]: This comment leads to difficulty for some types of products for which, by nature, the "continuous basis" cannot be verified (e.g. private assets products for which there is an investment period, ETFs for which index rebalancing can lead to inability to meet some binding elements, formula funds which can be at times fully monetarized depending on the parameters and the formula, etc.).

Commenté [A14]: Stakeholders have started being used to the term "binding elements" in force until now, we would advise to limit the changes when necessary.



Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this product? [include a narrative explanation of the investments of the financial product, including the minimum proportion of the investments of the financial product used to meet the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy. This includes the minimum proportion of sustainable investments of the financial product where that financial products commits to making sustainable investments, and the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards]

- **How does the use of derivatives contribute to the promotion of environmental or social characteristics?** [for financial products that use derivatives as defined in Article 2(1), point(29), of Regulation (EU) No 600/2014 to attain the environmental or social characteristics they promote, describe how the use of those derivatives meets those characteristics]

- **This product makes a minimum of [x]% sustainable investments. What is the methodology used to qualify investments as Sustainable?** [only include for financial products that make sustainable investments. Include a link towards a single webpage where a

Commenté [A15]: We think it is a good idea to have regrouped all "minimum commitments" and related sustainability types of assets under the same section (including Taxonomy alignment)

Commenté [A16]: We do not think this is useful as it is already described in the prospectus of the financial product.

Commenté [A17]: As explained in the dashboard and in the written answer to question n°33, we strongly advise to get rid of this misleading and not defined notion.

Commenté [A18]: Not needed as it is described in the following sections

Commenté [A19]: This question needs to be included in the first section about the environmental and/or social characteristics

Commenté [A20]: This question needs to be moved to the asset allocation section

detailed information about the methodology used, covering the output level of the analysis (pass/fail company-level approach or proportion of the analysis, measured on Revenues/Capex/Opex), the key performance indicators used to determine the positive contribution criteria including their inclusion thresholds (e.g. EU Taxonomy alignment, other activity-based alignment framework, company-level net-zero alignment, other activity-level or company-level KPI evidencing significant positive contribution, etc.), [for DNSH, it is described in the question below].

Commenté [A21]: We remind that the requirement regarding the taxonomy objective is very confusing because Sustainable Investments may be qualified through the verification a positive contribution criteria that is not their alignment with the EU Taxonomy (e.g. alignment with SDG framework, etc.). We need to clearly differentiate the objective of the fund to have sustainable investment from the underlying environmental or social objectives used to verify the positive contribution criteria of 2.17 in order to qualify sustainable investment. As such the SI pocket of a fund can have companies qualified according to various objectives depending on their activities. The important thing is to have a SI pocket as opposed to pursuing a specific E or S objective which make little sense in generalist fund.

Commenté [A22]: We think that the way this question is framed is confusing. Indeed, the fact that an investment is “sustainable” is independent from the strategy of the financial product, it is an intrinsic characteristic of the investment analyzed. In addition, it has been further clarified that there should be consistency in the way FMPs classify investments as Sustainable (SFDR 2.17) across their product range. As a consequence, an Article 8 product can commit to invest a minimum share of its investments into “Sustainable Investments” (SFDR2.17) without having a specific E or S objective for the Sustainable Investment pocket considered. We advise to frame this question differently to more clearly state that what is to be described here is the methodology to determine that each investment is or not a Sustainable Investments in the meaning of SFDR 2.17.

See question 17 of the consultation

With regards to sustainable investments, how do they not cause significant harm to any environmental or social objective? *[include a description for the financial product that partially intends to make sustainable investments]*

Commenté [A23]: If we keep this section, it should become a subsection of the question about the description of the Sustainable Investments

[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions on switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

How are the indicators to assess the most significant negative impacts of the investments on the environment and society taken into account for this assessment? *[include an explanation of how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account. If the financial product uses thresholds to determine that sustainable investments do not significantly harm any environmental or social objective under the PAI indicators in Annex I of this Regulation, provide a concise explanation of how they were determined and provide a hyperlink to the section on the website where further explanations and the thresholds are disclosed.]*

Link where detailed information is provided:

How are the sustainable investments consistent with the relevant international standards? Details: *[include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]*

[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

[include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852]

EU Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



What is the minimum proportion of EU Taxonomy investments? *[include a section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, even if the minimum commitment of EU Taxonomy aligned investments is 0%, and include the graphical representation referred to in Article 15(1), point (a), of this Regulation, the description referred to in Article 15(1), point (b), of this Regulation, a clear explanation as referred to in Article 15(1), point (c), of this Regulation, a narrative explanation as referred to in Article 15(1), point (d), of this Regulation and the information referred to in Article 15(2) and (3) of this Regulation]*

Commenté [A24]: There is regulatory divergence in the implementation of this question, that is the reason why we have modified the text.

Does the product commit to investing in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes: *[specify below, and details in the graphs of the box]*

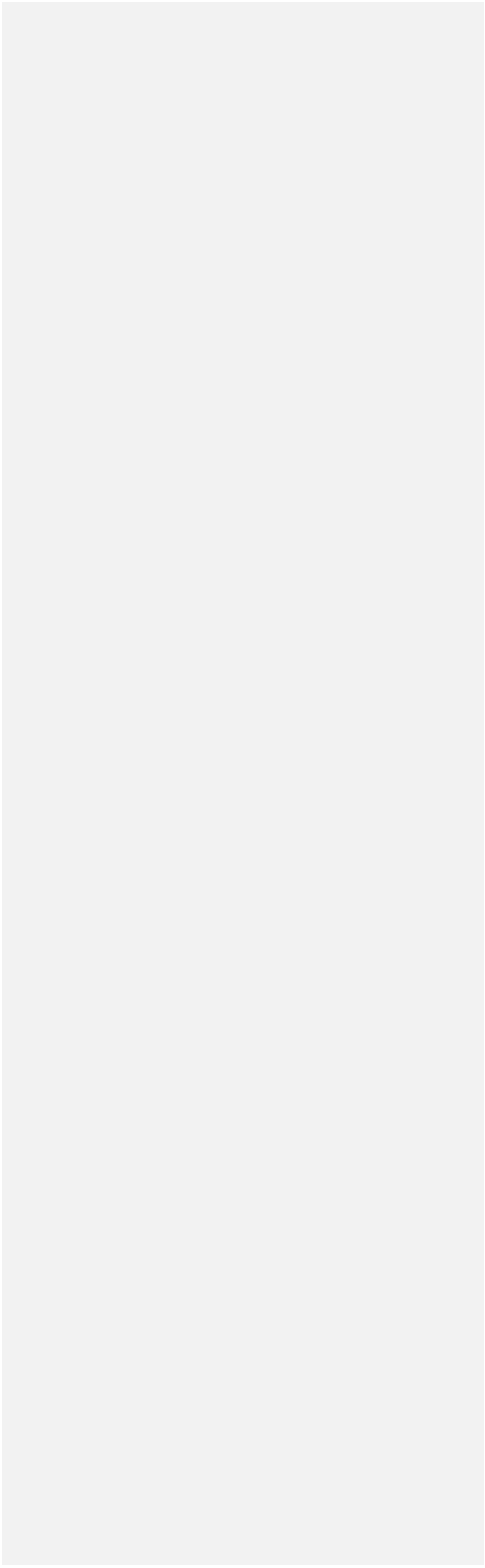
☐ In fossil gas ☐ In nuclear energy

☐ No, the product does not commit to investing in such activities, however, the product can invest in such activities.

Commenté [A25]: This precision is hugely important to ensure a harmonized application across jurisdictions about how to signal to clients that a product can invest in some types of assets while not committing to investing a minimum proportion.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in

Commission Delegated Regulation (EU) 2022/1214.

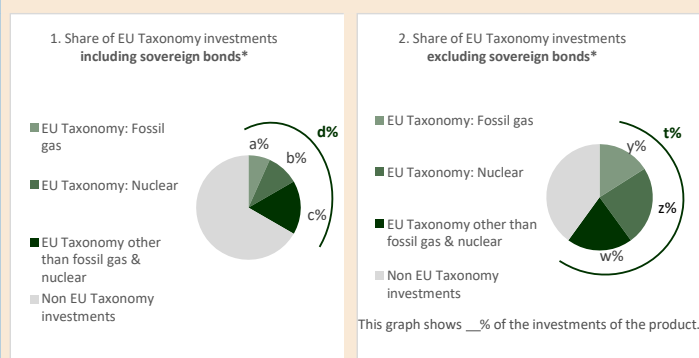


[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852.

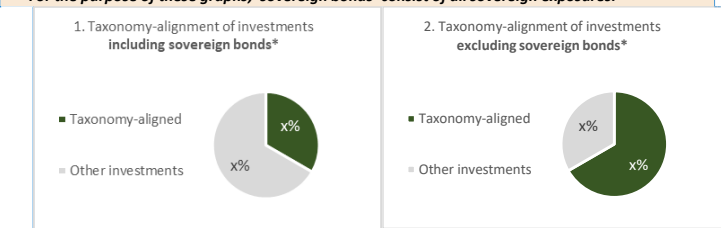
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of EU Taxonomy investments. As there is no appropriate way to determine if sovereign bonds* meet the criteria of the EU Taxonomy, the first graph shows the share of EU Taxonomy investments in relation to all the investments of the product including sovereign bonds, while the second graph shows the share of EU Taxonomy investments in relation only to the investments of the product other than sovereign bonds.

[only include in the graphs the figures for EU Taxonomy aligned fossil gas and/or nuclear energy as well as the corresponding legend and the explanatory text in the left hand margin if the financial product makes investments in fossil gas and/or nuclear energy EU Taxonomy-aligned economic activities]



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.



[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]

are sustainable investments with an environmental objective that do not take into account the criteria of the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?
[include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

What is the minimum share of sustainable investments with an environmental objective that do not meet the criteria of the EU Taxonomy?
[include section only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not EU Taxonomy aligned]

What is the minimum share of socially sustainable investments?
[include section only where the financial product includes sustainable investments with a social objective]

What investments are not promoting the product's environmental or social characteristics, what is their purpose and are there any minimum environmental or social safeguards?

Commenté [A26]: This section is about minimum commitments. At financial product level, we must retain the liberty to commit either at the overall level of EU Taxonomy alignment (d% and/or t%), or at the level of any of the sub-components (a% and/or b% and/or c% and/or y% and/or z% and/or w%).

It needs to be made very clear that we do not need to "breakdown" an overall Taxonomy commitment (d% and/or t%) across the various sub-components. Indeed, as EU Taxonomy is measured at activity-level, the mix of the sub-components will be specific to each company; as a consequence, a requirement to breakdown to overall Taxonomy commitment will only reduce, or even nullify, our ability to take meaningful Taxonomy commitments. As an example, when we make a financial product which commits to investing in Eurozone stocks, we are not required to commit ex-ante on having a minimum share of investments in the countries making the Eurozone: the commitment is only at Eurozone level.

That being said, we will welcome the breakdown of Taxonomy into its sub-components when making ex-post reporting on the financial product's portfolio.

Commenté [A27]: It should be clarified that the former version of the graphs could be used in case of no commitments to invest in fossil gas and nuclear energy activities aligned with taxonomy

Commenté [A28]: We advise against introducing the notion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy, and especially against the notion of "minimum" commitment on this indicator.

First, the notion itself lacks definition and is confusing as it brings together two notions "sustainable investments" and "EU Taxonomy alignment" that are distinct (see answer to question 33 of the consultation).

Second, as usual in precontractual documentation, the term "minimum" means that the proportion must be respected at all times. Now, in this case, we can breach this "minimum" proportion either because we do not have enough sustainable investments mapped to an E objective, or because we have too much (!) Taxonomy aligned investments. Committing to a minimum proportion here would entail that there will be cases, for instance when companies will start reporting their Taxonomy alignment, where we will have to sell companies because their Taxonomy-alignment has increased and that this has led to a breach of this ratio. This is of course contrary to what we want to do and to the very objective of the regulatory framework that aims to foster capital reallocation within the EU towards to finance a more sustainable economy. For the sake of transparency, we suggest that, in the question where we describe the Sustainable Investments

Commenté [A29]: We advise that splitting sustainable investments (SI) into SI-E and SI-S does not bring additional clarity to clients.

Article 8 products, when committing to investing a minimum share of their assets in Sustainable Investments are building a Sustainable Investments pocket which is most often agnostic in terms of objective. Thus, the same remark as for the breakdown of Taxonomy holds, that is, financial products should be able to take a commitment on Sustainable Investments without having to explain the breakdown between SI-E and SI-S.

In addition the split between SI-E and SI-S is not a notion that is used in the regulation implemented by distributors (MIF ...

Commenté [A30]: We would suggest to move this question in the section about the E/S characteristics promoted by the financial product.



[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]

Reference benchmarks are indexes to show how well a product performs compared to an index with similar objectives or features.



Is a specific index used as a reference benchmark ~~and how is this index monitored to ensure consistency with the environmental and/or social characteristics of the product?~~ [include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product. Specify how the index is continuously aligned with each of the environmental or social characteristics promoted by the financial product. Specify also how is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis and indicate where the methodology used for the calculation of the index can be found]

- How the index is continuously aligned with each of the environmental or social characteristics promoted by the financial product? And if this can't be guaranteed, explain how the financial product intends to be consistent with the extra-financial characteristics.
- How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis and indicate where the methodology used for the calculation of the index can be found?
- How does the index used differ from a relevant broad market index?

Commenté [A31]: To ensure the lisibility of the template and the comparability between the document, we advise to modify the presentation of the questions that need to be answered.

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a mis en forme : Paragraphe de liste, Liste à images de puces + Niveau : 1 + Alignement : 0,63 cm + Tabulation après : 1,27 cm + Retrait : 1,27 cm

a mis en forme : Paragraphe de liste, Retrait : Gauche : 1,27 cm

Where can I find more product specific information online?

More product-specific information can be found on the website: [include a hyperlink to the website referred to in Article 23 of this Regulation]

Commenté [A32]: Due to technical and MIFID 2 constraints it is not possible to make a link on the direct SFDR disclosure website. It will solely to indicate to the investor on which page he can find the relevant information on the website of the management company.

ANNEX III

Template p Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: [complete]


Legal entity identifier: [complete]


Date:


Pre-contractual information: Sustainable investment objective


This product has sustainable investment as its objective.

[In this box include the product's sustainable investment objective—250 characters limit with space]
[If relevant, tick the second box and complete the question related to what investments are not sustainable]

 Minimum sustainable investments = [q]%
 This product is implementing a [Paris Aligned Benchmark/ Climate Transition] investment strategy and is deemed to have a sustainable investment as its objective.

 *[If r%>0 use dark green icon and text:]* Minimum EU taxonomy investments = [r] calculated according to Article 17 of this Regulation]
[If r%=0 use grey icon, remove dark green box on the right and use text:] This product does not commit to making EU taxonomy investments.

 This product considers the most significant negative impacts of its investments on the environment and society. *[Use grey icon, and "does not consider" instead of "considers" where the product does not]*

 This product targets a reduction of ____% of greenhouse gas emissions in the atmosphere by *[either in absolute value or compared to a reference universe]*.
[Include this statement and icon where the product has a GHG emission reduction target that is not compatible with limiting global warming to 1.5 degrees Celsius.]
 This product targets a reduction of greenhouse gas emissions in the atmosphere to limit global warming to 1.5 °C. *[Include this statement and icon where the product has a GHG emission*

What is the sustainable investment objective of this product? *[Indicate the investment objective pursued by the financial product, describe how the sustainable investments contribute to a sustainable investment objective and indicate whether a reference benchmark has been designated for the purpose of attaining the sustainable investment objective. For financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes. For financial products referred to in Article 9(3) of Regulation (EU) 2019/2088, indicate that the financial product has the objective of reducing carbon emissions and explain that the reference benchmark qualifies as an EU Climate Transition Benchmark or an EU Paris-aligned Benchmark under Title III, Chapter 3a, of Regulation (EU) 2016/1011 and indicate where the methodology used for the calculation of that benchmark can be found. Where no EU Climate Transition Benchmark or EU Paris-aligned Benchmark as qualified in accordance with Regulation (EU) 2016/1011 is available, describe that fact, how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the objectives of the Paris Agreement and the extent to which the financial product complies with the methodological requirements set out in Commission Delegated Regulation (EU) 2020/1818]*

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Commenté [A33]: Box n°1: no remark

Box n°2:

-We Advise to remove the summary description of the sustainable investment objective as it is the same as the one described directly below and stakeholders (clients, regulators, etc.) are complaining about the length of the templates, hence the need not to repeat information so many times. In addition it is a heavy administrative burden for FMPs.
 -We advise to introduce the possible to disclose that a product whose investment strategy is aligned with the PAB/CTB methodology is deemed to be an article 9. In such case, the question related to what is not sustainable shall be completed with information regarding the PAB/CTB methodology.

Box n°3 and 4: no remark on the pictograms and sentences. However, R is not included within Q so we advise to remove the inclusion sign. More information on this position will be provided in **the answer to question n°3**.

Box n°5: no remark

Box n°6: We advise to precise the KPI used to measure GHG emissions reduction targets. What about letting the possibility to disclose an emission reduction compared to a reference universe?

a mis en forme : Couleur de police : Rouge

a mis en forme : Police :10 pt, Gras

a mis en forme : Police :10 pt

a mis en forme : Police :10 pt, Gras

a mis en forme : Police :10 pt

Commenté [A34]: We think that the way this question is framed is confusing. Indeed, the fact that an investment is "sustainable" is independent from the strategy of the financial product, it is an intrinsic characteristic of the investment analyzed. In addition, it has been further clarified that there should be consistency in the way FMPs classify investments as Sustainable (SFDR 2.17) across their product range. As a consequence, an Article 9 product can commit to invest a minimum share of its investments into "Sustainable Investments" (SFDR2.17) without having a single thematic for the Sustainable Investment pocket considered. We advise to frame this question differently to more clearly state that what is to be described here is the methodology to determine that each investment is or not a Sustainable Investments in the meaning of SFDR 2.17.

As such the SI objective of a fund is not necessarily correlated to the various objectives through companies have been qualified as SI. Nothing prevent the sustainable investment objective of the fund as defined in 9.2 to only invest in sustainable investments as opposed to a thematic objective.

Commenté [A35]: Such requirement should be included in the EU taxonomy alignment question.

a mis en forme : Police :Times New Roman, 10 pt, Étendu de 0,8 pt, Décalage haut de 1 pt

a mis en forme

● **How do you measure how the sustainable investment objective of this product will be met?** *[specify the sustainability indicators used]*

a mis en forme : Police :Gras, Italique, Décalage haut de 1 pt

a mis en forme : Police :Gras, Italique

a mis en forme : Paragraphe de liste, Retrait : Gauche : 5 cm, Suspendu : 0,75 cm, Liste à images de puces + Niveau : 1 + Alignement : 0,63 cm + Tabulation après : 1,27 cm + Retrait : 1,27 cm, Taquets de tabulation : Pas à 1,27 cm

a mis en forme : Police :Italique

a mis en forme : Police :Times New Roman, 10 pt, Étendu de 0,8 pt, Décalage haut de 1 pt



Does this product consider the most significant negative impacts of its investments on the environment and the society (principal adverse impacts)?

[include notes only for financial products that consider PAI] **Principal adverse impacts** are the most significant negative impacts on the environment and society including employee matters, human rights, corruption and bribery.

- ☐ Yes [if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. [A cross reference to the DNSH of sustainable investment question can be made.](#) [Indicate where, in the information to be disclosed pursuant to Article 11\(2\) of Regulation \(EU\) 2019/2088, the information on principal adverse impacts on sustainability factors is available.](#)
- ☐ No [explain the reasons]

Commenté [A36]: As it is necessary to demonstrate that a given sustainable investment takes into account all the PAI indicators, this question may be redundant to another question of the template. In such case a cross reference should be permitted to avoid the repetition.

For the avoidance of doubt this should be possible for non PAB/CTB product.



Does this product have a greenhouse gas emission reduction target?

[include note only for financial products that have a GHG emission reduction target] **Greenhouse gases (GHG)** are those gases, including carbon dioxide, that are responsible for the “greenhouse effect”. The increased concentration of these gases in the atmosphere is the cause of global warming.

- ☐ Yes: [if the financial product has a greenhouse gases (GHG) emission reduction target in accordance with Article 14a(1) of this Regulation, provide a narrative explanation about the target, indicating whether the financial product (a) divests from investments with particular GHG emissions levels and invests instead in companies with lower GHG emissions; [and/or](#) (b) invests in companies that are expected to deliver actual GHG emissions reductions over the duration of the investment; [and/or](#) (c) engages with investee companies to contribute to their GHG emissions reduction [and/or](#) (d) other approach. In case of (d), explain the approach used. Indicate which is the share of the investments of the financial product covered by the GHG emission reduction target and when the target is achieved only by a share of investments, indicate the target of that share of investments.]
- For financial products referred to in Article 9(3) of Regulation (EU) 2019/2088 whose investment objective is to track use an EU Climate Transition Benchmarks or an EU Paris-aligned Benchmark as defined in Article 3, points (23a) and (23b) of Regulation (EU) 2016/1011, provide a hyperlink to information disclosed by the benchmark administrator according to Article 18(5) of this Regulation. Do not include any subsequent question related to the topic below and proceed to the next section “What investment strategy does this product follow?”]*
- ☐ No [if the financial product does not have a GHG emission reduction target in accordance with Article 14a(1) of this Regulation, do not include any subsequent question related to the topic below and proceed to the next section “What investment strategy does this product follow?”]

Commenté [A37]: The regulatory ask needs to explicitly allow to use a combination of factors (a, b, c) to achieve the reduction in GHG emissions. We cannot attribute ex post either the target reduction to each of the factors (e.g. we cannot quantitatively measure the impact of engagement; it is not desirable to attribute the reduction in GHG emissions of the product to the underlying factors (a) divestment from GHG intensive companies or (b) investment in companies with GHG emissions reduction targets. We believe that the added complexity far outweighs the benefits of the added transparency).

Commenté [A38]: It should be clarified whether we are asking to disclose the share of investments as a percentage of the total assets (ie including non relevant asset such as ancillary liquidity asset, hedging derivatives etc.) or as a percentage of the eligible assets (ie excluding ancillary liquidity asset, hedging derivatives etc.)

[remove this box where the product aims to limit global warming to 1.5 °C] This product is not aiming at limiting global warming to 1.5 °C.

- ☐ **What is the greenhouse gas emission reduction target of the product?** [Fill in the table below, with information on the baseline financed GHG emissions, the final and intermediate targets and the corresponding years. The baseline financed GHG emissions and the targets shall be calculated in accordance with Article 14a(2) of this Regulation. Financial market participants shall indicate if the data on the investee companies' GHG removals or the purchase of carbon credits or on both are not readily available and include details of the best efforts used to obtain the information either directly from investee companies, or by carrying out additional research, cooperating with third party data providers or external experts or making reasonable assumptions. Financial market participants shall disclose the share of the investments for which the data are available. [For financial products referred to in Article 9\(3\) of Regulation \(EU\) 2019/2088 whose investment objective is to use](#)

an EU Climate Transition Benchmarks or an EU Paris-aligned Benchmark as defined in Article 3, points (23a) and (23b) of Regulation (EU) 2016/1011 do not include any subsequent question related to the topic below and proceed to the next section 'What investment strategy does this product follow?']

[include only for financial products that have a GHG emission reduction target] Information on progress towards the target will be available in the periodic reports [add link to periodic reports where available] and additional details are available here [add link to website].

	[Baseline year]	[Date of expected achievement of first intermediate target]	[Add columns for other intermediate targets]	[Date of expected achievement of the final target]
GHG emission reduction targets (tCO ₂ -eq/€M)	[GHG emissions in tCO ₂ -eq/€M, not including carbon removals and storage and credits]			
GHG removals and storage (tCO ₂ -eq/€M) [include row where relevant]				
Carbon credits used by investee companies and/or purchased by the financial market participant (tCO ₂ -eq/€M) [include row where relevant]				

- Does the greenhouse gas emission reduction target aim to limit global warming to 1.5 °C? *For financial products referred to in Article 9(3) of Regulation (EU) 2019/2088 whose investment objective is to use an EU Climate Transition Benchmarks or an EU Paris-aligned Benchmark as defined in Article 3, points (23a) and (23b) of Regulation (EU) 2016/1011 do not include any subsequent question related to the topic below and proceed to the next section ‘What investment strategy does this product follow?’*
 - Yes: *[if yes, describe the methodology used to assess if the target aims to limit global warming to 1.5 °C]*
 - No *[if no, include the following text “The target of this financial product is not compatible with the objective to limit global warming to 1.5 °C.”]*
 - Not Assessed. *[If the alignment of the target was not assessed, include the following text “The degree of alignment of this financial product with the objective to limit global warming to 1.5 degree Celsius was not assessed. The target of this financial product may not be compatible with the objective to limit global warming to 1.5 °C.”]*



The investment strategy guides investment decisions based on factors such as investment objectives and how much risk can be taken.



What investment strategy does this product follow? *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

- What ~~commitments are made~~ *are the binding elements of* the investment strategy *of the product* ~~regarding the product's~~ *sustainable investments?*
- How is it assessed whether the companies which are invested in follow good governance practices, such as tax compliance or employee matters? *[include a short description of the policy to assess good governance practices of the investee companies]*

Commenté [A39]: We advise to clarify what is intended here: the financial elements of the investment strategy or the extra-financial elements of the investment strategy or both. Indeed, we have had contradictory requirements in different European jurisdictions, which has been preventing us to implement the templates in an harmonized way across the different EU jurisdictions in which we operate.

a mis en forme : Retrait : Gauche : 5,55 cm, Espace Avant : 6,5 pt

What investments are not sustainable, what is their purpose and are there any minimum environmental or social safeguards? *[describe the purpose of the remaining proportion of the investments of the financial product, including a description of any minimum environmental or social safeguards, how their proportion and use does not affect the delivery of the sustainable investment objective on a continuous basis and whether those investments are used for hedging or relate to ancillary liquidity]. In case of a product implementing the PAB/CTB methodology additional information may be provided in this respect]*

Commenté [A40]: We suggest to clarify this language in line with the q&a of the European commission of july 2021.



Asset allocation
describes the share
of investments in
specific assets.

What is the asset allocation and the minimum share of sustainable investments?

include a narrative explanation of the investments of the financial product including the minimum proportion of the investments of the financial product used to meet the sustainable investment objective, in accordance with the binding elements of the investment strategy, the minimum proportion of sustainable investments and the link towards the single webpage detailed information about the methodology used, covering the output level of the analysis (pass/fail company-level approach or proportion of the analysis, measured on Revenues/Capex/Opex), the key performance indicators used to determine the positive contribution criteria including their inclusion thresholds (e.g. EU Taxonomy alignment, other activity-based alignment framework, company-level net-zero alignment, other activity-level or company-level KPI evidencing significant positive contribution, etc.). [for DNSH, it is described in the question below]

Commenté [A41]: The market practice is to mention the level of SI, this KPI is not relevant. This is, in addition not really in line with the line by line approach of an article 9 product (100% SI). The sustainable investment concept as defined in the article 2.17 is an intrinsic characteristics of a given issuer and thus cannot vary depending on the binding elements of a given strategy.

What is the minimum proportion of the sustainable investment of the financial product?

What is the methodology used to qualify investments as Sustainable? [include only a narrative explanation of the investments of the financial product including the minimum proportion of sustainable investments and the link towards the single webpage where there is detailed information about the methodology used, covering the output level of the analysis (pass/fail company-level approach or proportion of the analysis, measured on Revenues/Capex/Opex), the key performance indicators used to determine the positive contribution criteria including their inclusion thresholds (e.g. EU Taxonomy alignment, other activity-based alignment framework, company-level net-zero alignment, other activity-level or company-level KPI evidencing significant positive contribution, etc.). [for DNSH, it is described in the question below]

a mis en forme : Police :Gras, Italique

a mis en forme : Police :Calibri, 11 pt, Gras, Italique, Non Étendu de/ Condensé de

a mis en forme : Police :Gras, Italique

a mis en forme : Retrait : Gauche : 1,27 cm, Sans numérotation ni puces

a mis en forme : Police :Italique

a mis en forme : Police :9 pt, Italique, Couleur de police : Rouge foncé

a mis en forme : Paragraphe de liste, Droite : 1,38 cm, Espace Avant : 0 pt, Interligne : simple, Liste à images de puces + Niveau : 1 + Alignement : 0,63 cm + Tabulation après : 1,27 cm + Retrait : 1,27 cm

Commenté [A42]: The market practice is to mention the level of SI, this KPI is not relevant. This is, in addition not really in line with the line by line approach of an article 9 product (100% SI). The sustainable investment concept as defined in the article 2.17 is an intrinsic characteristics of a given issuer and thus cannot vary depending on the binding elements of a given strategy.

a mis en forme : Police :9 pt, Italique

a mis en forme : Retrait : Gauche : 1,27 cm, Sans numérotation ni puces

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective ?

How are the indicators to assess the most significant negative impacts of the investments on the environment and the society taken into account for this assessment? [explain how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I are taken into account. If the financial product uses thresholds to determine that sustainable investments do not significantly harm any environmental or social objective under the PAI indicators in Annex I of this Regulation, provide a concise explanation of how they were determined and provide a hyperlink to the section on the website where further explanations and the thresholds are disclosed.]

How are the sustainable investments consistent with relevant international standards? [include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]

Commenté [A43]: This question should be a sub-question of the one related to the methodology of sustainable investment.

a mis en forme : Police :Gras, Italique

a mis en forme : Paragraphe de liste, Gauche, Liste à images de puces + Niveau : 1 + Alignement : 0,63 cm + Tabulation après : 1,27 cm + Retrait : 1,27 cm

[include note only for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

[include note only for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]

EU Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

the use of derivatives contribute to the sustainable investment objective? [for financial product that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain their sustainable investment objective, describe how the use of those derivatives attains that sustainable investment objective].

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

How are the indicators to assess the most significant negative impacts of the investments on the environment and the society taken into account for this assessment? [explain how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I are taken into account. If the financial product uses thresholds to determine that sustainable investments do not significantly harm any environmental or social objective under the PAI indicators in Annex I of this Regulation, provide a concise explanation of how they were determined and provide a hyperlink to the section on the website where further explanations and the thresholds are disclosed.]

Link where detailed information is provided:

How are the sustainable investments consistent with relevant international standards?

[include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]



What is the minimum proportion of EU Taxonomy investments? [include the section for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 even if the taxonomy alignment minimum commitment figure is 0% and include the graphical representation referred to in Article 19(1), point (a), of this Regulation, the description referred to in Article 19(1), point (b), of this Regulation, the clear explanation referred to in Article 19(1), point (c), of this Regulation, the narrative explanation referred to in Article 19(1), point (d), of this Regulation]

Does the product commits to investing in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes: [specify below, and details in the graphs of the box]

☐ In fossil gas ☐ In nuclear energy

☐ No, the product does not commit to investing in such activities, however, the product can invest in such activities

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

a mis en forme : Police :Italique

a mis en forme : Police :Italique, Couleur de police : Rouge foncé

a mis en forme : Police :9 pt, Italique, Couleur de police : Rouge foncé

a mis en forme : Police :9 pt, Italique

a mis en forme : Retrait : Gauche : 0 cm

a mis en forme : Justifié, Retrait : Gauche : 5,73 cm, Suspendu : 1,27 cm, Droite : 1,38 cm, Espace Avant : 4,75 pt

Commenté [A44]: This question should be a sub-question of the first question of the template which details the methodology of sustainable investment.

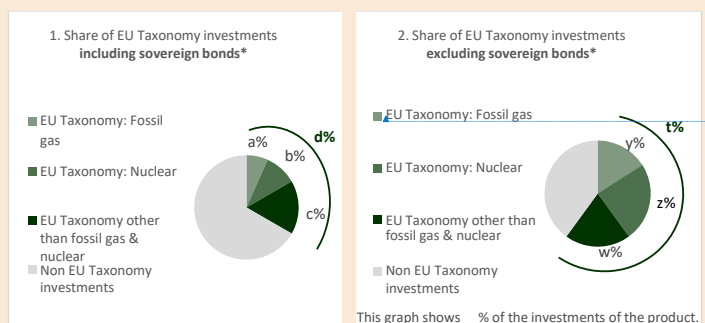
Commenté [A45]: There is regulatory divergence in the implementation of this question, that is the reason why we have modified the text.

a mis en forme : Retrait : Gauche : 6,35 cm, Première ligne : 1,27 cm

Commenté [A46]: This precision is hugely important to ensure a harmonized application across jurisdictions about how to signal to clients that a product can invest in some types of assets while not committing to investing a minimum proportion.

The two graphs below show in green the minimum percentage of EU Taxonomy investments. As there is no appropriate way to determine if sovereign bonds* meet the criteria of the EU Taxonomy, the first graph shows the share of EU Taxonomy investments in relation to all investments of the product including sovereign bonds, while the second graph shows the share of EU Taxonomy investments in relation only to the investments of the product other than sovereign bonds.

[only include in the graphs the figures for EU Taxonomy aligned fossil gas and/or nuclear energy as well as the corresponding legend and the explanatory text in the left hand margin if the financial product makes investments in fossil gas and/or nuclear energy EU Taxonomy-aligned economic activities]



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

a mis en forme : Français (France)

Commenté [A47]: It should be clarified that the former version of the graphs could be used in case of no commitments to invest in fossil gas and nuclear energy activities aligned with taxonomy

a mis en forme : Taquets de tabulation : 6,48 cm,Gauche

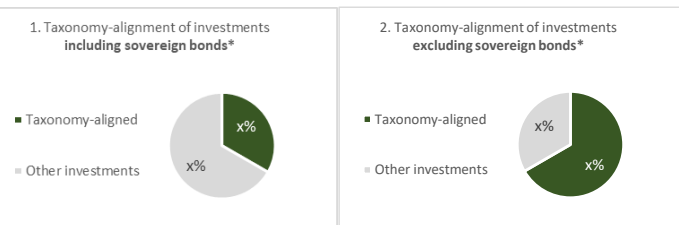
a mis en forme : Titre 2, Droite : 1,39 cm, Espace Avant : 2,6 pt, Interligne : Multiple 1,01 li

Commenté [A48]: We advise against introducing the notion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy, and especially against the notion of "minimum" commitment on this indicator.

First, the notion itself lacks definition and is confusing as it brings together two notions "sustainable investments" and "EU Taxonomy alignment" that are distinct (see answer to question 33 of the consultation).

Second, as usual in precontractual documentation, the term "minimum" means that the proportion must be respected at all times. Now, in this case, we can breach this "minimum" proportion either because we do not have enough sustainable investments mapped to an E objective, or because we have too much (!) Taxonomy aligned investments. Committing to a minimum proportion here would entail that there will be cases, for instance when companies will start reporting their Taxonomy alignment, where we will have to sell companies because their Taxonomy-alignment has increased and that this has led to a breach of this ratio. This is of course contrary to what we want to do and to the very objective of the regulatory framework that aims to foster capital reallocation within the EU towards to finance a more sustainable economy. For the sake of transparency, we suggest that, in the question where we describe the Sustainable Investments methodology, we disclose clearly (as proposed above) the criteria used to qualify the positive contribution of the investment to an E or S objective, especially for those pathways that are used in addition to the EU Taxonomy framework.

More detailed elements on this position is available in the answer to question n°33.



What is the minimum share of investments in transitional and enabling activities?

[include section for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]

What is the minimum share of sustainable investments with an environmental objective that do not meet the criteria of the EU Taxonomy?

[include section only for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in environmental economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not EU Taxonomy-aligned]

What is the minimum share of socially sustainable investments? [include section

[include note for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[include note for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic

only where the financial product includes sustainable investments with a social objective]



What investments are not sustainable, what is their purpose and are there any minimum environmental or social safeguards? *(describe the purpose of the remaining proportion of the investments of the financial product, including a description of any minimum environmental or social safeguards, how their proportion and use does not affect the delivery of the sustainable investment objective on a continuous basis and whether those investments are used for hedging or relate to cash held as ancillary liquidity)*

135

Commenté [A49]: We advise that splitting sustainable investments (SI) into SI-E and SI-S does not bring additional clarity to clients.

Article 8 products, when committing to investing a minimum share of their assets in Sustainable Investments are building a Sustainable Investments pocket which is most often agnostic in terms of objective. Thus, the same remark as for the breakdown of Taxonomy holds, that is, financial products should be able to take a commitment on Sustainable Investments without having to explain the breakdown between SI-E and SI-S.

In addition the split between SI-E and SI-S is not a notion that is used in the regulation implemented by distributors (MIFID II / IDD); thus, it brings an additional layer of complexity in a topic that is already too complex for retail clients. We think that the additional complexity brought by this split significantly outweighs the potential benefits in terms of transparency that it brings.

Commenté [A50]: We would suggest to move this question in the section about the investment strategy followed by the financial product



Is a specific index used as a reference benchmark ~~and how is the benchmark monitored to ensure consistency with the sustainable investment objective of the product?~~ *[include section only for the financial products using a reference benchmark to attain the sustainable investment objective referred to in Article 9(1) of Regulation (EU) 2019/2088]* *[Specify how the reference benchmark takes into account sustainability factors in a way that is continuously aligned with the sustainable investment objective. Specify how is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis and indicate where the methodology used for the calculation of the designated index can be found]*

[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]

- ● How the index is continuously aligned with the sustainable investment objective of the financial product? And if this can't be guaranteed, explain how the financial product intends to be consistent with the sustainable investment objective.
- How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis and indicate where the methodology used for the calculation of the index can be found?
- How does the index used differ from a relevant broad market index?

Commenté [A51]: Why it is excluded to mention product compliant with the 9.3 of SFDR? It should be included if an index is used.

Commenté [A52]: To ensure the lisibility of the template and the comparability , we advise to modify the presentation of the questions that need to be answered.

a mis en forme : Police :Gras, Italique

a mis en forme : Police :Gras

a mis en forme : Police :Gras, Italique

a mis en forme : Paragraphe de liste, Liste à images de puces + Niveau : 1 + Alignement : 0,63 cm + Tabulation après : 1,27 cm + Retrait : 1,27 cm



Where can I find more product specific information online?

More product-specific information can be found on the website: *[include a hyperlink to the website referred to in Article 37 of this Regulation]*

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: [complete]

Legal entity identifier: [complete]

Reference period:
[add reference period]

Periodic information: Environmental and/or social characteristics


[delete environmental or social if not applicable]

Sustainable investments contribute to an environmental or social objective and do not cause significant harm to environment and society.

The EU Taxonomy defines **environmentally sustainable economic activities** according to specific criteria. Not all sustainable investments with an environmental objective meet the EU Taxonomy criteria.


This product has some sustainability characteristics, but does not have a sustainable investment objective.

[in this box include the environmental and/or social characteristic(s) promoted by the product and the (x)% of the product's investments that promote those characteristics — 250 characters limit with spaces]




[if q%>0 use green icon and text:] This product made [q]% sustainable investments
[if q%=0 use grey icon, remove green box on the right and use text:] This product did not make sustainable investments.

q%




[if r%>0 use dark green icon and text:] This product made [r]% EU taxonomy investments [r calculated according to Article 17 of this Regulation]
[if r%=0 use grey icon, remove dark green box on the right and use text:] This product did not make EU taxonomy investments.

r%



This product considered the most significant negative impacts of its investments on the environment and society. *[use grey icon, and "did not consider" instead of "considered" where the product does not]*



This product targets a reduction of ____% of greenhouse gas emissions in the atmosphere by ____ *[mention date of the achievement of the target]. [remove this statement and icon where the product does not have a decarbonisation target]*



To what extent were the environmental and/or social characteristics of this product met? *[list the environmental and/or social characteristics promoted by the financial product. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed. For financial products that made sustainable investments with social objectives, list the social objectives]*

● **How did the indicators measuring each of the attainment of environmental or social characteristics perform?**

● **...and compared to previous periods?** *[include for products where at least one previous periodic report was provided]*

Commenté [A53]: Box n°1: no remark

Box n°2:

-We Advise to remove the summary description of the E/S characteristics as it is the same as the one described directly below and stakeholders (clients, regulators, etc.) are complaining about the length of the templates, hence the need not to repeat information so many times. In addition it is a heavy administrative burden for FMPs.
 -We advise to remove the notion of the % of the product investments that promote those characteristics, be it in terms of minimum or observed percentage. Indeed, this notion leads to confusion from clients as they will expect that products with a higher ratio will be "more" ESG than products with a lower ratio, whereas the level of the ratio has nothing to do with the stringency of the sustainability criteria. More detailed justification for this position will be provided in the answer to question n°33.

Box n°3 and 4: no remark on the pictograms and sentences. However, R is not included within Q so we advise to remove the inclusion sign. More information on this position will be provided in the answer to question n°3.

Box n°5: no remark

Box n°6: We advise to precise the KPI used to measure GHG emissions reduction targets. What about letting the possibility to disclose an emission reduction compared to a reference universe?

Commenté [A54]: We do not advise to split E and S as most financial products promoting extra-financial characteristics do so through the application of binding criteria based on ESG factors.

Commenté [A55]: This should be included in the Taxonomy regulation question.

Commenté [A56]: This question should be included in the sustainable investments question.



● -What investments are not in line with the product's environmental or social characteristics, what was their purpose and were there any minimum environmental or social safeguards? *[include information referred to in Article 56a of this Regulation]*

This product made [x]% of sustainable investments. What were the objectives of the sustainable investments? [include for products that made sustainable investments, where not included in the reply to the above question, describe the objectives. Describe how the sustainable investments contributed to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed.]



[include section if the financial product considered PAI]
Principal adverse impacts are the most significant negative impacts on the environment and society including employee matters, human rights, corruption and bribery.

How did this product consider the most significant negative impacts of its investments on the environment and society (principal adverse impacts)? *[include section if the financial product considered principal adverse impacts on sustainability factors]*



How much progress was achieved towards the product greenhouse gases (GHG) emission reduction target? *[only include if the product's pre-contractual disclosures included a GHG emission reduction target in accordance with Article 14a(1) of this Regulation. Fill in the table below with data from the pre-contractual disclosure and with measurements of progress to date, when available. If target(s) have not been met, provide an explanation and specify the actions planned to meet the target.]*

Where information on investee companies' progress as regards GHG removals and storage or carbon credits is not readily available, financial market participants shall provide details of the best efforts used to obtain the information either directly from investee companies, or by carrying out additional research, cooperating with third party data providers or external experts or making reasonable assumptions and indicate that such information is not available.]

[include only for financial products that have a GHG emission reduction target]
Greenhouse gases (GHG) are those gases, including carbon dioxide, that are responsible for the "greenhouse effect". The increased concentration of these gases in the atmosphere is the cause of global warming.

Commenté [A57]: The regulatory ask needs to explicitly allow to use a combination of factors (a, b, c) to achieve the reduction in GHG emissions. We cannot attribute ex post either the target reduction to each of the factors (e.g. we cannot quantitatively measure the impact of engagement; it is not desirable to attribute the reduction in GHG emissions of the product to the underlying factors (a) divestment from GHG intensive companies or (b) investment in companies with GHG emissions reduction targets. We believe that the added complexity far outweighs the benefits of the added transparency).

This product is not aiming at limiting global warming to 1.5 °C

	<i>[Baseline year]</i>	<i>Progress made [Add a column for previous reporting period with data available]</i>	<i>Progress made [current reporting period]</i>	<i>[Date of expected achievement of intermediate target 1]</i>	<i>[Add columns for other intermediate targets]</i>	<i>[Date of expected achievement of the final target]</i>
GHG emission reduction targets (tCO ₂ -eq/€M)	<i>[Pre-contractual disclosure - Baseline GHG emissions in tCO₂-eq/€M, not including GHG removals and carbon credits]</i>	<i>[disclose progress made towards the GHG emissions reduction targets (tCO₂-eq/€M) and any difference between the</i>	<i>[disclose progress made towards the GHG emissions reduction targets (tCO₂-eq/€M) and any difference between the</i>	<i>[Pre-contractual disclosure – percentage of the GHG emission reduction intermediate target]</i>		<i>[Pre-contractual disclosure – percentage of the GHG emission reduction final target]</i>

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[include only for financial products that have a GHG emission reduction target
Information to better understand the level of ambition and scope of the target can be found on the website [add links to “GHG emission reduction target” section of the website].

		target set for the reporting period and progress made]	target set for the reporting period and progress made]			
GHG removals and storage (tCO ₂ -eq/€M) [include row where relevant]	Baseline GHG emissions	[Progress made in terms of GHG removals used (tCO ₂ -eq/€M) [include row where relevant]	[Progress made in terms of GHG removals used (tCO ₂ -eq/€M) [include row where relevant]	[Pre-contractual disclosure]	[Pre-contractual disclosure]	[Pre-contractual disclosure]
Carbon credits used by investee companies and/or purchased by the financial market participant (tCO ₂ -eq/€M) [include row where relevant]	Baseline GHG emissions	[Progress made in terms of carbon credits used by investee companies and/or purchased by the financial market participant (tCO ₂ -eq/€M) [include row where relevant]	[Progress made in terms of carbon credits used by investee companies and/or purchased by the financial market participant (tCO ₂ -eq/€M) [include row where relevant]	[Pre-contractual disclosure]	[Pre-contractual disclosure]	[Pre-contractual disclosure]

How did the implementation of the investment strategy contribute to the achievement of the target? [indicate how the investment strategy was implemented, explain any obstacle encountered and the extent to which it hampered progress towards the target(s). Describe any change made to the investment strategy over the last reporting period.]

Commenté [A58]: The question too theoretical and may be difficult to implement and not so readable for the end investor.



What were the largest investments of this product?

Largest investments during:[reference period]	Sector	% Assets	Country



What was the proportion of investments that promote environmental and/or social characteristics?

Asset allocation describes the share of investments in specific assets.

● **What was the asset allocation?** [include information referred to in Article 53 of this Regulation].

● **In which economic sectors were the investments made?** [include information referred to in Article 54 of this Regulation]
This product made [x]% of sustainable investments. What were the objectives of the sustainable investments? [include for products that made sustainable investments and describe give the link to the website where the methodology used to identify a sustainable investment is detailed. For the financial products referred to in Article 6, first paragraph of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed].
For actively managed products that commit to making sustainable investments, include the percentage of sustainable investment proportion of an indicative and relevant reference universe using the same methodology than the one of the financial market participant.

● **With regards to sustainable investments, how did they not cause significant harm to any environmental or social sustainable investment objective?** [include where the financial product includes sustainable investments]

How have the indicators to assess the most significant negative impacts of the investments on the environment and society been taken into account for this assessment?

[explain how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I were taken into account. If the financial product used thresholds to determine that sustainable investments did not significantly harm any environmental or social objective under the PAI indicators in Annex I of this Regulation, provide a concise explanation of how they were determined and provide a hyperlink to the section on the website where further explanations and the thresholds are disclosed.]

Link where detailed information is provided:

Were sustainable investments consistent with the relevant international standards? Details: [include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]

Commenté [A59]: . See question 31 & 31. We advise to delete the notion of E/S characteristics as this indicator is misleading. Moreover, the performance of the binding elements of the product through which E/S characteristics are promoted is already disclosed previously in the template. In addition, the notion of "share of investments" relevant for each binding element is disclosed through the concept of coverage rate of each sustainability indicator (binding element).

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Commenté [A60]: It should be made in the taxonomy question

a mis en forme : Retrait : Première ligne : 0 cm

a mis en forme : Retrait : Gauche : 5,71 cm, Taquets de tabulation : 6,35 cm, Tabulation de liste + Pas à 1,27 cm

a mis en forme : Police :9 pt, Italique

a mis en forme : Paragraphe de liste, Liste à images de puces + Niveau : 1 + Alignement : 0,63 cm + Tabulation après : 1,27 cm + Retrait : 1,27 cm

[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

[Include a statement for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

EU Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What was the proportion of EU Taxonomy investments? [include section for the products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include information in accordance with Article 55 of this Regulation]

● **Did the product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

☐ **Yes:** [specify below, and details in the graphs of the box]

☐ In fossil gas ☐ In nuclear energy

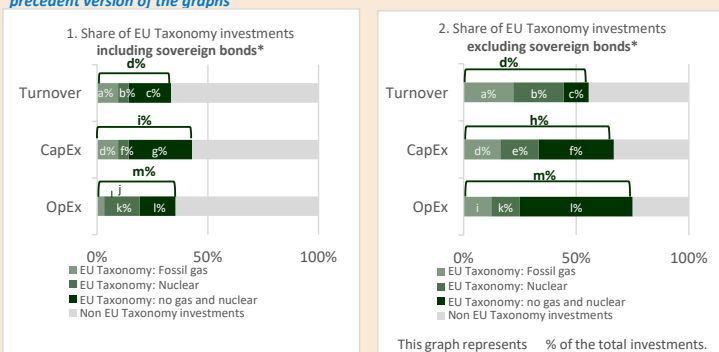
☐ **No**

Commenté [A61]: It is important to clarify in the graph below that in case of no investments in fossil gas and/or nuclear energy EU Taxonomy-aligned economic activities or in case of no data available in this respect the old version of the graph could be used as mentioned by the ESA in the final report.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the percentage of EU Taxonomy investments. As there is no appropriate way to determine if sovereign bonds* meet the criteria of the EU Taxonomy, the first graph shows the share of EU Taxonomy investments in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the share of EU Taxonomy investments in relation only to the investments of the financial product other than sovereign bonds.

[Include information on EU Taxonomy aligned fossil gas and nuclear energy and the explanatory text in the left hand margin on the previous page only if the financial product invested in fossil gas and/or nuclear energy EU Taxonomy-aligned economic activities during the reference period] If not, use the precedent version of the graphs



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- What was the share of investments made in transitional and enabling activities? [include a breakdown of the proportions of investments during the reference period]

- How did the percentage of EU Taxonomy investments compare with previous reference periods? [include where at least one previous periodic report was provided. For actively managed product, include the percentage of EU Taxonomy investment of an indicative and relevant reference universe]

What was the share of sustainable investments with an environmental objective that did not meet the criteria of the EU Taxonomy? [include section only for the financial products referred to in Article 6, first subparagraph, of Regulation (EU) 2020/852 where the financial product included sustainable investments with an environmental objective that invested in economic activities that are not environmentally sustainable economic activities, and explain why the financial product invested in economic activities that were not EU Taxonomy aligned]

What was the share of socially sustainable investments? [include only where the financial product included sustainable investments with a social objective]

What investments are not in line with the product's environmental or social characteristics, what was their purpose and were there any minimum environmental or social safeguards? [include information referred to in Article 56a of this Regulation]

Commenté [A62]: For the SI E non taxonomy aligned we strongly advise to discard the indicator (see question 33)

It is possible to disclose the share of SI E and SI S even though we do not think that it brings useful information to the client as the issuers may be E or S sustainable investments at the same time as a direct consequence of determining the positive contribution criteria through quantitative elements.

We advise that splitting sustainable investments (SI) into SI-E and SI-S does not bring additional clarity to clients. Article 8 products, when committing to investing a minimum share of their assets in Sustainable Investments are building a Sustainable Investments pocket which is most often agnostic in terms of objective. Thus, the same remark as for the breakdown of Taxonomy holds, that is, financial products should be able to take a commitment on Sustainable Investments without having to explain the breakdown between SI-E and SI-S.

In addition the split between SI-E and SI-S is not a notion that is used in the regulation implemented by distributors (MIFID II / IDD); thus, it brings an additional layer of complexity in a topic that is already too complex for retail clients. We think that the additional complexity brought by this split significantly outweighs the potential benefits in terms of transparency that it brings.



What actions have been taken to meet the environmental and/or social characteristics during the reference period? *[include the information referred to in Article 56b of this Regulation]*



How did this product ~~perform compared to the~~ using a reference benchmark ~~and how was the benchmark monitored to ensure consistency with the environmental and/or social characteristics of the product~~ perform? *[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product. Specify how this financial product performed with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted, how this financial product performed compared with the reference benchmark and indicate where the methodology used for the calculation of the designated index can be found]*

● How does the reference benchmark differ from a broad market index?

● How did this product using a reference benchmark perform compared with the broad market index?

Specify how the sustainability indicators of this financial product performed with regard to the sustainability indicators applied at the level of the broad market index.

[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]

Reference benchmarks are indexes to see how well a product performs compared to an index with similar objectives or features.

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ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: [complete]





Legal entity identifier: [complete]

Reference period:
[add reference period]

Periodic information: Sustainable investment objective

Sustainable investments contribute to an environmental or social objective and do not cause significant harm to environment and society.

The EU Taxonomy defines environmentally sustainable economic activities according to specific criteria. Not all sustainable investments with an environmental objective meet the EU Taxonomy criteria.

This product has sustainable investment as its objective.	
[in this box include what was the product's sustainable investment objective — 250 characters limit with space]	
	This product made [q]% sustainable investments
	[if r%>0 use dark green icon and text:] This product made [r]% EU taxonomy investments [r calculated according to Article 17 of this Regulation] [if r%=0 use grey icon, remove dark green box on the right and use text:] This product did not make EU taxonomy investments.
	This product considered the most significant negative impacts of its investments on the environment and society. [use grey icon, and "did not consider" instead of "considered" where the product does not]
	This product targets a reduction of ____% of greenhouse gas emissions in the atmosphere by either in absolute value or compared to a reference universe [include this statement and icon where the product has a GHG emission reduction target that is not compatible with limiting global warming to 1.5 °C] This product targets a reduction of greenhouse gas emissions in the atmosphere to limit global warming to 1.5 °C. [include this statement and icon where the product has a GHG emission

Commenté [A63]: Box n°1: no remark

Box n°2:

-We Advise to remove the summary description of the sustainable investment objective as it is the same as the one described directly below and stakeholders (clients, regulators, etc.) are complaining about the length of the templates, hence the need not to repeat information so many times. In addition it is a heavy administrative burden for FMPs.

-We advise to introduce the possible to disclose that a product whose investment strategy is aligned with the PAB/CTB methodology is deemed to be an article 9. In such case, the question related to what is not sustainable shall be completed with information regarding the PAB/CTB methodology.

Box n°3 and 4: no remark on the pictograms and sentences. However, R is not included within Q so we advise to remove the inclusion sign. More information on this position will be provided in **the answer to question n°3**.

Box n°5: no remark

Box n°6: We advise to precise the KPI used to measure GHG emissions reduction targets. What about letting the possibility to disclose an emission reduction compared to a reference universe?



To what extent was the sustainable investment objective of this product met?

[list the sustainable investment objective of this financial product and indicate whether a reference benchmark has been designated for the purpose of attaining the sustainable investment objective. —and describe how the sustainable investments contributed to the sustainable investment objective. For the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, indicate to which environmental objectives set out in Article 9 of Regulation (EU) 2020/852 to the investment underlying the financial product contributed to. For the financial products referred to in Article 9(3) of Regulation (EU) 2019/2088, indicate how the objective of a reduction in carbon emissions was aligned with the Paris Agreement]

- **How did the indicators measuring the sustainable objectives of this financial product perform?**
- **...and compared to previous periods?** [include for financial products where at least one previous periodic report was provided]



How did this product consider the most significant negative impacts of its investments on the environment and society (principal adverse impacts)?

[Include section if the product considered principal adverse impacts on sustainability factors]

Principal adverse impacts are the most significant negative impacts on the environment and society including employee matters, human rights, corruption and bribery.



How much progress was achieved towards the product target of greenhouse gases (GHG) emission reduction? *[Only include if the product's pre-contractual disclosures included a GHG emission reduction target in accordance with Article 14a(1) of this Regulation. Fill in the table below with data from the pre-contractual disclosure and with measurements of progress to date, when available. If target(s) have not been met, provide an explanation and specify the corrective actions planned to meet the target.]*

Where information on investee companies' progress as regards GHG removals and storage or carbon credits is not readily available, financial market participants shall provide details of the best efforts used to obtain the information either directly from investee companies, or by carrying out additional research, cooperating with third party data providers or external experts or making reasonable assumptions and indicate that such information is not available.

For financial products referred to in Article 9(3) of Regulation (EU) 2019/2088 whose investment objective is to track use an EU Climate Transition Benchmarks or an EU Paris-aligned Benchmark as defined in Article 3, points (23a) and (23b) of Regulation (EU) 2016/1011 , provide a hyperlink to information disclosed by the benchmark administrator according to Article 59a(2) of this Regulation. Do not include any subsequent question related to the topic below and proceed to the next section 'What were the largest investments of this product?']

[include only for financial products that have a GHG emission reduction target]

Greenhouse gases (GHG) are those gases, including carbon dioxide, that are responsible for the "greenhouse effect". The increased concentration of these gases in the atmosphere is the cause of global warming.

	<i>[Baseline year]</i>	<i>Progress made [Add a column for previous reporting period with data available]</i>	<i>Progress made [current reporting period]</i>	<i>[Date of expected achievement of intermediate target 1]</i>	<i>[Add columns for other intermediate targets]</i>	<i>[Date of expected achievement of the final target]</i>
GHG emission reduction targets (tCO ₂ -eq/€M)	<i>[Pre-contractual disclosure - Baseline GHG emissions in tCO₂-eq/€M, not including GHG removals and storage and carbon credits.]</i>	<i>[disclose progress made towards the GHG emissions reduction targets (tCO₂-eq/€M) and any difference between the</i>	<i>[disclose progress made towards the GHG emissions reduction targets (tCO₂-eq/€M) and any difference between the</i>	<i>[Pre-contractual disclosure – percentage of the GHG emission reduction intermediate target]</i>		<i>[Pre-contractual disclosure – percentage of the GHG emission reduction final target]</i>

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[include only for financial products that have a GHG emission reduction target
Information to better understand the level of ambition and scope of the target can be found on the 'GHG emission reduction target' section of the website [add links to website].

		target set for the reporting period and progress made]	target set for the reporting period and progress made]			
GHG removals and storage (tCO ₂ -eq/€M) [include row where relevant]	Baseline GHG emissions	[Progress made in terms of GHG removals used (tCO ₂ -eq/€M) [include row where relevant]	[Progress made in terms of GHG removals used (tCO ₂ -eq/€M) [include row where relevant]	[Pre-contractual disclosure]	[Pre-contractual disclosure]	[Pre-contractual disclosure]
Carbon credits used by investee companies and/or purchased by the financial market participant (tCO ₂ -eq/€M) [include row where relevant]	Baseline GHG emissions	[Progress made in terms of carbon credits used by investee companies and/or purchased by the financial market participant (tCO ₂ -eq/€M) - include row where relevant]	[Progress made in terms of carbon credits used by investee companies and/or purchased by the financial market participant (tCO ₂ -eq/€M) - include row where relevant]	[Pre-contractual disclosure]	[Pre-contractual disclosure]	[Pre-contractual disclosure]

How did the implementation of the investment strategy contribute to the achievement of the target? [indicate how the investment strategy was implemented, explain any obstacle encountered and the extent to which it hampered progress towards the target(s). Mention any change made to the investment strategy over the last reporting period.]

Commenté [A64]: This question is not clear and the achievement is disclosed in the chart.



What were the largest investments of this product?

Largest investments	Sector	% Assets	Country
during: [reference period]			



What was the proportion of sustainable investments?

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?** *include information referred to in Article Article 61(a) and (b) of this Regulation* [including the minimum proportion of sustainable investments and a link to the single webpage where there is the detailed information about the methodology used, covering the output level of the analysis \(pass/fail company-level approach or proportion of the analysis, measured on Revenues/Capex/Opex\), the key performance indicators used to determine the positive contribution criteria including their inclusion thresholds \(e.g. EU Taxonomy alignment, other activity-based alignment framework, company-level net-zero alignment, other activity-level or company-level KPI evidencing significant positive contribution, etc.\), \(for DNSH, it is described in the question below\)](#)
- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**
 - [How have the indicators to assess the most significant negative impacts of the investments on the environment and society been taken into account for this assessment? \[explain how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I were taken into account. If the financial product used thresholds to determine that sustainable investments do not significantly harm any environmental or social objective under the PAI indicators in Annex I of this Regulation, provide a concise explanation of how they were determined and provide a hyperlink to the section on the website where further explanations and the thresholds are disclosed.\]](#)
 - [Link where detailed information is provided:](#)
 - [Were sustainable investments consistent with the relevant international standards? Details: \[include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights\]](#)
- **In which economic sectors were the investments made?** *[include information referred to in Article Article 61(c) of this Regulation]*

[include note only for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]

~~How did the sustainable investments not cause significant harm to any sustainable investment objective?~~

~~How have the indicators to assess the most significant negative impacts of the investments on the environment and society been taken into account for this assessment? (explain how the indicators for adverse impacts in Table 1 of Annex I and any relevant indicators in Tables 2 and 3 of Annex I were taken into account. If the financial product used thresholds to determine that sustainable investments do not significantly harm any environmental or social objective under the DAI indicators in Annex I of this Regulation, provide a concise explanation of how they were determined and provide a hyperlink to the section on the website where further explanations and the thresholds are disclosed.)~~

~~Link where detailed information is provided:~~

~~Were sustainable investments consistent with the relevant international standards? Details: (include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.)~~

[include note for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

[include note for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



What was the proportion of EU taxonomy investments? [include section for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 and include information in accordance with Article 62 of this Regulation]

● **Did the product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy⁷²?**

☐ Yes: [specify below, and details in the graphs of the box]

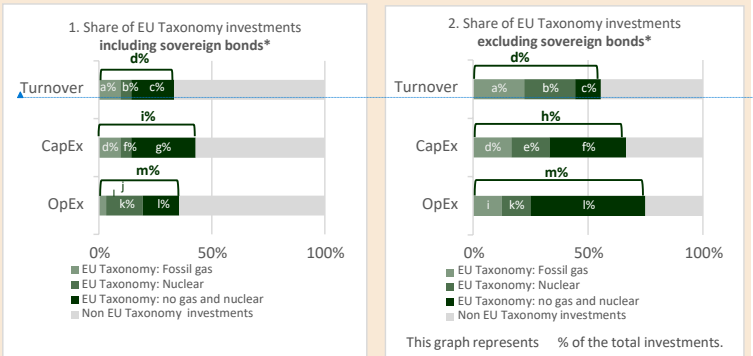
☐ In fossil gas ☐ In nuclear energy

☐ No

Commenté [A65]: It is important to clarify in the graph below that in case of no investments in fossil gas and/or nuclear energy EU Taxonomy-aligned economic activities or in case of no data available in this respect the old version of the graph could be used as mentioned by the ESA in the final report.

The two graphs below show in green the percentage of EU Taxonomy investments. As there is no appropriate way to determine if sovereign bonds* meet the criteria of the EU Taxonomy, the first graph shows the share of EU Taxonomy investments in relation to investments of the financial product including sovereign bonds, while the second graph shows the share of EU Taxonomy investments in relation only to the investments of the financial product other than sovereign bonds.

[Include information on EU Taxonomy-aligned fossil gas and nuclear energy and the explanatory text in the left hand margin on the previous page only if the financial product invested in fossil gas and/or nuclear energy EU Taxonomy-aligned economic activities during the reference period]



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

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● **What was the share of investments made in transitional and enabling activities?** [include a breakdown of the proportions of investments during the reference period]

⁷² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission

Delegated Regulation (EU) 2022/1214.

[include note for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



[include note for the financial products referred to in Article 9(1) of Regulation (EU) 2019/2088]
Reference benchmarks are indexes to see how well a product performs compared

How did the percentage of EU Taxonomy investments compare with previous reference periods? [include where at least one previous periodic report was provided]



What was the share of sustainable investments with an environmental objective that did not meet the criteria of the EU Taxonomy? [include only for the financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 where the financial product included investments with an environmental objective that invested in economic activities that are not environmentally sustainable economic activities and explain why the financial product invested in economic activities that were not taxonomy aligned]



What was the share of socially sustainable investments? [include only where the financial product includes sustainable investments with a social objective]



What investments were not sustainable, what was their purpose and were there any minimum environmental or social safeguards? [include the information referred to in Article 62b] [describe the purpose of the remaining proportion of the investments of the financial product, including a description of any minimum environmental or social safeguards, how their proportion and use does not affect the delivery of the sustainable investment objective on a continuous basis and whether those investments are used for hedging or relate to ancillary liquidity, in case of a product implementing the PAB/CTB methodology additional information may be provided in this respect]

What actions have been taken to attain the sustainable investment objective during the reference period? [include the information referred to in Article 62c of this Regulation]

How did this product using a reference benchmark perform compared to the reference sustainable benchmark and how was the benchmark monitored to ensure consistency with the sustainable investment objective of the product? [include section only for the financial products referred to in Article 9(1) of Regulation (EU) 2019/2088 and indicate where the methodology used for to an index with similar objectives or features.

Commenté [A66]: We advise against introducing the notion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy, and especially against the notion of “minimum” commitment on this indicator.

First, the notion itself lacks definition and is confusing as it brings together two notions “sustainable investments” and “EU Taxonomy alignment” that are distinct (see answer to question 33 of the consultation).

Second, as usual in precontractual documentation, the term “minimum” means that the proportion must be respected at all times. Now, in this case, we can breach this “minimum” proportion either because we do not have enough sustainable investments mapped to an E objective, or because we have too much (!) Taxonomy aligned investments. Committing to a minimum proportion here would entail that there will be cases, for instance when companies will start reporting their Taxonomy alignment, where we will have to sell companies because their Taxonomy-alignment has increased and that this has led to a breach of this ratio. This is of course contrary to what we want to do and to the very objective of the regulatory framework that aims to foster capital reallocation within the EU towards to finance a more sustainable economy.

For the sake of transparency, we suggest that, in the question where we describe the Sustainable Investments methodology, we disclose clearly (as proposed above) the criteria used to qualify the positive contribution of the investment to an E or S objective, especially for those pathways that are used in addition to the EU Taxonomy framework.

More detailed elements on this position is available in the answer to question n°33.

Commenté [A67]: We advise that splitting sustainable investments (SI) into SI-E and SI-S does not bring additional clarity to clients.

Article 8 products, when committing to investing a minimum share of their assets in Sustainable Investments are building a Sustainable Investments pocket which is most often agnostic in terms of objective. Thus, the same remark as for the breakdown of Taxonomy holds, that is, financial products should be able to take a commitment on Sustainable Investments without having to explain the breakdown between SI-E and SI-S.

In addition the split between SI-E and SI-S is not a notion that is used in the regulation implemented by distributors (MIFID II / IDD); thus, it brings an additional layer of complexity in a topic that is already too complex for retail clients. We think that the additional complexity brought by this split significantly overweight the potential benefits in terms of transparency that it brings.

Commenté [A68]: We suggest to clarify this language in line with the q&a of the European commission of July 2021

~~How~~ ~~did this~~ ~~product~~ ~~perform~~ ~~as~~ ~~compared~~ ~~to~~ ~~the~~ ~~reference~~ ~~sustainable~~ ~~benchmark~~ ~~and~~ ~~how~~ ~~was the~~ ~~benchmark~~ ~~monitored~~ ~~to~~ ~~ensure~~ ~~consistency~~ ~~with~~ ~~the~~ ~~sustainable~~ ~~investment~~ ~~objective~~ ~~s of the~~ ~~product~~ ~~?~~ ~~Include~~ ~~section~~ ~~only~~ ~~for~~ ~~the~~ ~~financial~~ ~~products~~ ~~referred to~~ ~~in Article~~ ~~9(1)~~ ~~of~~ ~~Regulation~~ ~~(EU)~~ ~~2019/2088~~ ~~and~~ ~~indicate~~ ~~where the~~ ~~methodolo~~ ~~gy used for~~

~~the calculation of the designated index can be found;~~

- How did the reference benchmark differ from a broad market index?
- How did this product using a reference benchmark perform compared with the broad market index? Specify how the sustainability indicators of this financial product performed with regard to the sustainability indicators applied at the level of the broad market index.

