

# MEDEF - draft

## Reply form

**on the Joint Consultation Paper on the review of SFDR Delegated Regulation regarding PAI and financial product disclosures**

12 April 2023  
ESMA34-45-1218

## Responding to this paper

The ESAs invite comments on all matters in the Joint Consultation Paper and in particular on the specific questions in this reply form. Comments are most helpful if they:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives the ESAs should consider.

ESMA will consider all comments received by **4 July 2023**.

## Instructions

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

- Insert your responses to the questions in the Joint Consultation Paper in this reply form.
- Please do not remove tags of the type <ESMA\_QUESTION\_SFDR\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
- If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
- When you have drafted your responses, save the reply form according to the following convention: ESMA\_CP SFDR Review\_nameofrespondent.

For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA\_CP SFDR Review\_ABCD.

- Upload the Word reply form containing your responses to ESMA’s website (**pdf documents will not be considered except for annexes**). All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input - Consultations’.

## Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESAs' rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

## Data protection

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

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

## General information about respondent

Name of the company / organisation	MEDEF
Activity	Non-financial counterparty
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	France

## Questions

**Q1 : Do you agree with the newly proposed mandatory social indicators in Annex I, Table I (amount of accumulated earnings in non-cooperative tax jurisdictions for undertakings whose turnover exceeds € 750 million, exposure to companies involved in the cultivation and production of tobacco, interference with the formation of trade unions or election worker representatives, share of employees earning less than the adequate wage)?**

<ESMA\_QUESTION\_SFDR\_1>

MEDEF is a French business association representing companies of all sizes and sectors, therefore both issuers and investors. It tries to raise the point of view of issuing companies, while taking into account investors' needs. Improving the consideration of adverse sustainability impacts in sustainable finance is a key aspect toward a more sustainable economy, which requires reliable data prepared by issuers in their sustainability reporting.

As the European sustainable finance action plan started with the SFDR and, in a second phase, developed the CSRD and EFRAG's standards, inconsistencies are still to be deplored. We urge the ESAs to take the opportunity of this review to better streamline both regulations. In MEDEF's view, it implies the following adjustments:

- As the ESRS are now almost finalized and represent a huge amount of datapoints on each major E, S and G's topics, any newly defined PAI should be tailored on the basis of ESRS DRs. We are aware that the ESA's mandate includes the demand of additional social mandatory PAIs, we consider that it is fully possible to find in the ESRS social standards several adequate DRs to ground PAIs. For that reason, MEDEF is opposed to the new PAIs which do not rely on ESRS's DRs: new mandatory PAI amount of accumulated earnings in non-cooperative tax jurisdictions for undertakings whose turnover exceeds € 750 million, and new PAI interference with the formation of trade unions or election worker representatives.
- The number of optional PAI is already too developed, some indicators are very similar with small differences. MEDEF considers that the European regulation should stay focused on a short list of mandatory indicators, preferably cross-sectoral or concerning several major sectors; regarding additional indicators, their number should be reduced, focused

on priority topics and grounded on the ESRs. For that reason, MEDEF does not consider that the addition of new optional PAIs is accurate given the high number of optional PAIs already adopted in the RTS.

- At the core of the reasoning to choose any PAI, the relevance of the considered KPI for the issuers' sustainability reporting should prevail. For instance, the PAI regarding interference in the formation of trade unions raises questions on the way to report on that point for the issuers. It would be a very formal requirement, for instance if the issuer were to indicate that it hasn't interfered, but would it help in detecting the breaches, if any? The ESRs standards' elaboration is the right way to discuss this kind of issues. That's why MEDEF urges the ESAs to propose a PAI directly grounded on the data collected through ESRs S1.8 and ESRs S1.17 DRs.
- Some difficulties are very likely to be encountered by issuers in filing their CSRD requirements. MEDEF stresses that it could impair the quality, comparability and availability of data needed by the financial market participant to report on the PAI. MEDEF has raised concerns regarding the adequate wage DR in the ESRs consultation process and highlights that companies will need time to improve the reliability of this DR. For that reason, MEDEF considers that the addition of this PAI should be postponed to a later review of SFDR.
- The timeline for applying the new SFDR requirements should be streamlined to take into account the CSRD progressive application, to enable financial market participants to collect the data properly.
- In addition, as the EC has extended the materiality assessment under ESRs, FMP may face difficulties complying with their regulations. We urge ESAs to propose solutions to this issue. Several options are possible, such as clarifying that FMPs can use a "qualified zero" and consider it actual data (and not estimates) for investees that are subject to CSRD-reporting but have not disclosed the information needed for PAI reporting or that companies for which the data is not available can be considered as "neutral" with regards PAI. Materiality is a core principle of the financial and accounting reporting frameworks; it must be preserved as it has proved its relevance.

<ESMA\_QUESTION\_SFDR\_1>

**Q2 : Would you recommend any other mandatory social indicator or adjust any of the ones proposed?**

<ESMA\_QUESTION\_SFDR\_2>

- Regarding additional social mandatory PAIs, we consider that it is fully possible to find in the ESRs social standards several adequate DRs to ground PAIs. For that reason, MEDEF is opposed to the new PAIs which do not rely on ESRs' DRs: new mandatory PAI amount of accumulated earnings in non-cooperative tax jurisdictions for undertakings whose turnover exceeds € 750 million and new PAI interference with the formation of trade unions or election worker representatives.

- At the core of the reasoning to choose any PAI, the relevance of the considered KPI for the issuers' sustainability reporting should prevail, which is not the case for the PAI regarding interference in the formation of trade unions. It would be a very formal requirement, for instance if the issuer were to indicate that it hasn't interfered, but would it help in detecting the breaches, if any? The ESRS standards' elaboration is the right way to discuss this kind of issues. That's why MEDEF urges the ESAs to propose a PAI directly grounded on the data collected through ESRS S1.8 and ESRS S1.17 DRs.
- MEDEF has raised concerns regarding the adequate wage DR in the ESRS consultation process and highlights that companies will need time to improve the reliability of this DR. Social policies are national policies and one cannot report on social issues in the same way as on environmental issues. Companies need time to apply the recent directive on adequate minimum wages, adopted in October 2022 with a two-year period for transposition. Moreover, consolidating information at international level is highly challenging. For those reasons, MEDEF considers that the addition of this PAI should be postponed to a later review of SFDR.

<ESMA\_QUESTION\_SFDR\_2>

**Q3 : Do you agree with the newly proposed opt-in social indicators in Annex I, Table III (excessive use of non-guaranteed-hour employees in investee companies, excessive use of temporary contract employees in investee companies, excessive use of non-employee workers in investee companies, insufficient employment of persons with disabilities in the workforce, lack of grievance/complaints handling mechanism for stakeholders materially affected by the operations of investee companies, lack of grievance/complaints handling mechanism for consumers/ end-users of the investee companies)?**

<ESMA\_QUESTION\_SFDR\_3>

- The notions of "insufficiencies" or "excessive use" are very questionable as the quality of a policy and the associated results may highly depend on the sector, possibly the geographic zone. It will introduce lots of differences in the application by the financial market participant. For those reasons, quantitative indicators or binary indicators (yes/no for the existence of a policy or a channel for instance) are more appropriate in our view as they can lead to a better comparability.
- Regarding the proposed PAI *excessive use of non-guaranteed-hour employees in investee companies, excessive use of temporary contract employees in investee companies, excessive use of non-employee workers in investee companies*, MEDEF would judge more appropriate to have a single indicator around the notion of precarious work. Furthermore, MEDEF raised important concerns regarding non-employee workers as the definition in the ESRS is not clear enough. MEDEF asked to remove any specific KPI on the social aspects of non-employees as they have no labor contract with the company. For those reason, MEDEF is against the PAI *excessive use of non-employee workers in investee companies*.

- MEDEF considers that it is difficult to assess the proposed “insufficient employment of persons with disabilities in the workforce. First, the definition of “persons with disabilities” varies from one country to another so consolidated data are not very relevant. It would be preferable to trigger the lack of policies put in place in companies to remove barriers to employment for person with disabilities.
- Regarding lack of grievance/complaints handling mechanism for stakeholders materially affected by the operations of investee companies, MEDEF stresses the fact that the definition in the ESRS of affected community is very large and vague.

<ESMA\_QUESTION\_SFDR\_3>

**Q4 : Would you recommend any other social indicator or adjust any of the ones proposed?**

<ESMA\_QUESTION\_SFDR\_4>

- MEDEF consider that the list of optional PAI is already too developed; the European regulation should stay focused on a short list of mandatory indicators, preferably cross-sectoral or concerning several major sectors ; regarding additional indicators, their number should be reduced, focused on priority topics and grounded on the ESRSs. For that reason, MEDEF does not consider that the addition of new optional PAIs is accurate given the high number of optional PAIs already adopted in the RTS.

<ESMA\_QUESTION\_SFDR\_4>

**Q5 : Do you agree with the changes proposed to the existing mandatory and opt-in social indicators in Annex I, Table I and III (i.e. replacing the UN Global Compact Principles with the UN Guiding Principles and ILO Declaration on Fundamental Principles and Rights at Work)? Do you have any additional suggestions for changes to other indicators not considered by the ESAs?**

<ESMA\_QUESTION\_SFDR\_5>

Yes, we agree.

We have several comments regarding other indicators not considered by the ESAs :

- (13) gender pay gap: the formula should better reflect the ESRS S1.16 DR, which relates on average pay level of male employees – average pay level of female employees / average pay level of male employees.
- (61) and (62) operations and suppliers using workforce qualifying as child labour / operations and suppliers at significant risk of incidents of forced or compulsory labour : the wording should be aligned to the ESRS 2 SBM 3 S1 §14 (f) wording, which highlights operation at significant risk of incidents of forced / child labour. Furthermore, MEDEF does not understand why those two PAIs do not take into account the actions that the

undertaking takes or does not take to mitigate the risk. Other indicators do not melt risks covered by a policy with risks for which nothing has been put in place.

- (63) and (68) number of identified cases of severe human rights issues and incident / number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws : the formula should be aligned with other calculation models such as current value of investment in investee companies with identified cases of severe human rights issues and incident / current value of all investments. Indeed, MEDEF does not see the rationale leading to multiply by the number of incidents which is not necessarily representative of the severity of the incident (one incident can relate to a major case, more significant than three incidents for another undertaking).

<ESMA\_QUESTION\_SFDR\_5>

**Q6 : For real estate assets, do you consider relevant to apply any PAI indicator related to social matters to the entity in charge of the management of the real estate assets the FMP invested in?**

<ESMA\_QUESTION\_SFDR\_6>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_6>

**Q7 : For real estate assets, do you see any merit in adjusting the definition of PAI indicator 22 of Table 1 in order to align it with the EU Taxonomy criteria applicable to the DNSH of the climate change mitigation objective under the climate change adaptation objective?**

<ESMA\_QUESTION\_SFDR\_7>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_7>

**Q8 : Do you see any challenges in the interaction between the definition 'enterprise value' and 'current value of investment' for the calculation of the PAI indicators?**

<ESMA\_QUESTION\_SFDR\_8>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_8>

**Q9 : Do you have any comments or proposed adjustments to the new formulae suggested in Annex I?**

<ESMA\_QUESTION\_SFDR\_9>

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<ESMA\_QUESTION\_SFDR\_9>

**Q10 : Do you have any comments on the further clarifications or technical changes to the current list of indicators? Did you encounter any issues in the calculation of the adverse impact for any of the other existing indicators in Annex I?**

<ESMA\_QUESTION\_SFDR\_10>

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<ESMA\_QUESTION\_SFDR\_10>

**Q11 : Do you agree with the proposal to require the disclosure of the share of information for the PAI indicators for which the financial market participant relies on information directly from investee companies?**

<ESMA\_QUESTION\_SFDR\_11>

<ESMA\_QUESTION\_SFDR\_11>

**Q12 : What is your view on the approach taken in this consultation paper to define ‘all investments’? What are the advantages and drawbacks you identify? Would a change in the approach adopted for the treatment of ‘all investments’ be necessary in your view?**

<ESMA\_QUESTION\_SFDR\_12>

We understand the approach taken by the ESAs to consider all investments in the portfolio in the denominator of the PAI indicators formulae. This proposal encourages better comparability between financial market participants (FMPs). However, it could jeopardize readability and understandability by other users of the declaration and is likely to dilute PAI indicators. For that reason, we consider that the ESAs should review their approach.

Besides, to have a better understanding of the composition of investment portfolios, FMPs should be able to complement the disclosure with the proportion of each asset class ( X% corporate, Y%real estate, Z%sovereign, A%derivatives etc.).

<ESMA\_QUESTION\_SFDR\_12>

**Q13 : Do you agree with the ESAs' proposal to only require the inclusion of information on investee companies' value chains in the PAI calculations where the investee company reports them? If not, what would you propose as an alternative?**

<ESMA\_QUESTION\_SFDR\_13>

| Yes, we agree |

<ESMA\_QUESTION\_SFDR\_13>

**Q14 : Do you agree with the proposed treatment of derivatives in the PAI indicators or would you suggest any other method?**

<ESMA\_QUESTION\_SFDR\_14>

| TYPE YOUR TEXT HERE |

<ESMA\_QUESTION\_SFDR\_14>

**Q15 : What are your views with regard to the treatment of derivatives in general (Taxonomy-alignment, share of sustainable investments and PAI calculations)? Should the netting provision of Article 17(1)(g) be applied to sustainable investment calculations?**

<ESMA\_QUESTION\_SFDR\_15>

| TYPE YOUR TEXT HERE |

<ESMA\_QUESTION\_SFDR\_15>

**Q16 : Do you see the need to extend the scope of the provisions of point g of paragraph 1 of Article 17 of the SFDR Delegated Regulation to asset classes other than equity and sovereign exposures?**

<ESMA\_QUESTION\_SFDR\_16>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_16>

**Q17 : Do you agree with the ESAs' assessment of the DNSH framework under SFDR?**

<ESMA\_QUESTION\_SFDR\_17>

MEDEF regrets the high level of complexity in the sustainable finance regulatory framework, where close terminologies have different acceptations. It is very difficult to understand the combination of SFDR, taxonomy and CSRD even for specialists. This lack of clarity is detrimental to the whole regulation. In MEDEF's view, the changes should be made at level 1, where there is a major need to simplify and streamline those texts. Finally, we need to experiment the existing frameworks and incoming new 4 environmental objectives in the EU Taxonomy.

<ESMA\_QUESTION\_SFDR\_17>

**Q18 : With regard to the DNSH disclosures in the SFDR Delegated Regulation, do you consider it relevant to make disclosures about the quantitative thresholds FMPs use to take into account the PAI indicators for DNSH purposes mandatory? Please explain your reasoning.**

<ESMA\_QUESTION\_SFDR\_18>

- As stated below, MEDEF considers that notions such as “insufficiencies” or “excessive use” are very questionable as the quality of a policy and its associated results may highly depend on the sector, possibly the geographic zone... It will introduce lots of differences in the application by the financial market participant. MEDEF does not share the view that the introduction of a disclosure about the thresholds used by FMPs to take into account indicators for DNSH would really solve this problem.

<ESMA\_QUESTION\_SFDR\_18>

**Q19 : Do you support the introduction of an optional “safe harbour” for environmental DNSH for taxonomy-aligned activities? Please explain your reasoning.**

<ESMA\_QUESTION\_SFDR\_19>

- The lack of consistency between the concepts used in the Taxonomy regulation and SFDR does not seem to enable such a mechanism.

<ESMA\_QUESTION\_SFDR\_19>

**Q20 : Do you agree with the longer term view of the ESAs that if two parallel concepts of sustainability are retained that the Taxonomy TSCs should form the basis of DNSH assessments? Please explain your reasoning.**

<ESMA\_QUESTION\_SFDR\_20>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_20>

**Q21 : Are there other options for the SFDR Delegated Regulation DNSH disclosures to reduce the risk of greenwashing and increase comparability?**

<ESMA\_QUESTION\_SFDR\_21>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_21>

**Q22 : Do you agree that the proposed disclosures strike the right balance between the need for clear, reliable, decision-useful information for investors and the need to keep requirements feasible and proportional for FMPs? Please explain your answers.**

<ESMA\_QUESTION\_SFDR\_22>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_22>

**Q23 : Do you agree with the proposed approach of providing a hyperlink to the benchmark disclosures for products having GHG emissions reduction as their investment objective under Article 9(3) SFDR or would you prefer specific disclosures for such financial products? Do you believe the introduction of GHG emissions reduction target disclosures could lead to confusion between Article 9(3) and other Article 9 and 8 financial products? Please explain your answer.**

<ESMA\_QUESTION\_SFDR\_23>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_23>

**Q24** : The ESAs have introduced a distinction between a product-level commitment to achieve a reduction in financed emissions (through a strategy that possibly relies only on divestments and reallocations) and a commitment to achieve a reduction in investees' emissions (through investment in companies that has adopted and duly executes a convincing transition plan or through active ownership). Do you find this distinction useful for investors and actionable for FMPs? Please explain your answer.

<ESMA\_QUESTION\_SFDR\_24>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_24>

**Q25** : Do you find it useful to have a disclosure on the degree of Paris-Alignment of the Article 9 product's target(s)? Do you think that existing methodologies can provide sufficiently robust assessments of that aspect? If yes, please specify which methodology (or methodologies) would be relevant for that purpose and what are their most critical features? Please explain your answer.

<ESMA\_QUESTION\_SFDR\_25>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_25>

**Q26** : Do you agree with the proposed approach to require that the target is calculated for all investments of the financial product? Please explain your answer.

<ESMA\_QUESTION\_SFDR\_26>

Please refer to Q12

<ESMA\_QUESTION\_SFDR\_26>

**Q27** : Do you agree with the proposed approach to require that, at product level, Financed GHG emissions reduction targets be set and disclosed based on the GHG accounting and reporting standard to be referenced in the forthcoming

**Delegated Act (DA) of the CSRD? Should the Global GHG Accounting and Reporting Standard for the Financial Industry developed by PCAF be required as the only standard to be used for the disclosures, or should any other standard be considered? Please justify your answer and provide the name of alternative standards you would suggest, if any.**

<ESMA\_QUESTION\_SFDR\_27>

We believe that the mandatory use of PCAF is premature. In that context, we believe ESAS should allow FMPs, for a transitional period, the flexibility either to use either PCAF on a voluntary basis for financed GHG emissions reduction targets or any other recognized standard.

<ESMA\_QUESTION\_SFDR\_27>

**Q28 : Do you agree with the approach taken to removals and the use of carbon credits and the alignment the ESAs have sought to achieve with the EFRAG Draft ESRS E1? Please explain your answer.**

<ESMA\_QUESTION\_SFDR\_28>

Yes, we agree. The alignment with ESRS E1 is appropriate.

<ESMA\_QUESTION\_SFDR\_28>

**Q29 : Do you find it useful to ask for disclosures regarding the consistency between the product targets and the financial market participants entity-level targets and transition plan for climate change mitigation? What could be the benefits of and challenges to making such disclosures available? Please explain you answer.**

<ESMA\_QUESTION\_SFDR\_29>

|TYPE YOUR TEXT HERE |

<ESMA\_QUESTION\_SFDR\_29>

**Q30 : What are your views on the inclusion of a dashboard at the top of Annexes II-V of the SFDR Delegated Regulation as summary of the key information to complement the more detailed information in the pre-contractual and periodic disclosures? Does it serve the purpose of helping consumers and less experienced retail investors understand the essential information in a simpler and more visual way?**

<ESMA\_QUESTION\_SFDR\_30>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_30>

**Q31 : Do you agree that the current version of the templates capture all the information needed for retail investors to understand the characteristics of the products? Do you have views on how to further simplify the language in the dashboard, or other sections of the templates, to make it more understandable to retail investors?**

<ESMA\_QUESTION\_SFDR\_31>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_31>

**Q32 : Do you have any suggestion on how to further simplify or enhance the legibility of the current templates?**

<ESMA\_QUESTION\_SFDR\_32>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_32>

**Q33 : Is the investment tree in the asset allocation section necessary if the dashboard shows the proportion of sustainable and taxonomy-aligned investments?**

<ESMA\_QUESTION\_SFDR\_33>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_33>

**Q34 : Do you agree with this approach of ensuring consistency in the use of colours in Annex II to V in the templates?**

<ESMA\_QUESTION\_SFDR\_34>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_34>

**Q35 : Do you agree with the approach to allow to display the pre-contractual and periodic disclosures in an extendable manner electronically?**

<ESMA\_QUESTION\_SFDR\_35>

|TYPE YOUR TEXT HERE |

<ESMA\_QUESTION\_SFDR\_35>

**Q36 : Do you have any feedback with regard to the potential criteria for estimates?**

<ESMA\_QUESTION\_SFDR\_36>

|TYPE YOUR TEXT HERE |

<ESMA\_QUESTION\_SFDR\_36>

**Q37 : Do you perceive the need for a more specific definition of the concept of “key environmental metrics” to prevent greenwashing? If so, how could those metrics be defined?**

<ESMA\_QUESTION\_SFDR\_37>

|TYPE YOUR TEXT HERE |

<ESMA\_QUESTION\_SFDR\_37>

**Q38 : Do you see the need to set out specific rules on the calculation of the proportion of sustainable investments of financial products? Please elaborate.**

<ESMA\_QUESTION\_SFDR\_38>

|TYPE YOUR TEXT HERE |

<ESMA\_QUESTION\_SFDR\_38>

**Q39 : Do you agree that cross-referencing in periodic disclosures of financial products with investment options would be beneficial to address information overload?**

<ESMA\_QUESTION\_SFDR\_39>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_39>

**Q40 : Do you agree with the proposed website disclosures for financial products with investment options?**

<ESMA\_QUESTION\_SFDR\_40>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_40>

**Q41 : What are your views on the proposal to require that any investment option with sustainability-related features that qualifies the financial product with investment options as a financial product that promotes environmental and/or social characteristics or as a financial product that has sustainable investment as its objective, should disclose the financial product templates, with the exception of those investment options that are financial instruments according to Annex I of Directive 2014/65/EU and are not units in collective investment undertakings? Should those investment options be covered in some other way?**

<ESMA\_QUESTION\_SFDR\_41>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_SFDR\_41>

**Q42 : What are the criteria the ESAs should consider when defining which information should be disclosed in a machine-readable format? Do you have any views at this stage as to which machine-readable format should be used? What challenges do you anticipate preparing and/or consuming such information in a machine-readable format?**

<ESMA\_QUESTION\_SFDR\_42>

[TYPE YOUR TEXT HERE ]



<ESMA\_QUESTION\_SFDR\_42>

**Q43 : Do you have any views on the preliminary impact assessments? Can you provide estimates of costs associated with each of the policy options?**

<ESMA\_QUESTION\_SFDR\_43>

|TYPE YOUR TEXT HERE |

<ESMA\_QUESTION\_SFDR\_43>