Eurosif welcomes the ESAs’ proposals for a review of the SFDR Delegated Regulation aiming to improve the usability, transparency and coherence of the current SFDR framework.

- **Eurosif supports the ESAs’ proposals on additional mandatory and opt-in social PAI indicators** to the extent their formulation is appropriately tailored for investment purposes. Social considerations are crucial to ensure a “just transition” towards sustainability. Therefore, social and environmental indicators should be considered on an equal footing.

- **Regarding the existing indicators**, we welcome the proposal to refer to UN Guiding Principles for Human Rights rather than UN Global Compact principles. We also suggest clarifying the application of indicators referencing international standards (i.e. the OECD Guidelines for MNE and UN Guiding Principles).

- **To enable a seamless application of SFDR**, the European Sustainability Reporting Standards (ESRS) must mandate investee companies to disclose the information that is necessary to consider the environmental and social PAI indicators.

- **Eurosif agrees with the ESAs’ assessment of the “Do No Significant Harm” (DNSH) principle and concurs that its application should be enhanced**. There are merits in further improving consistency between the SFDR and the EU Taxonomy frameworks, despite their existing structural differences. To that end, however, the EU Taxonomy framework would need to be extended to cover environmentally harmful activities and social objectives.

- **Eurosif welcomes the ESAs’ proposals for additional product-level narrative disclosures on GHG emission reduction targets as well as the distinction between portfolio-level and investee-company level decarbonisation objectives**. These disclosures should also specify when a combination of different approaches is taken to reach decarbonisation targets.

- **Eurosif is supportive of the ESAs’ proposals to simplify precontractual and periodic documentation templates** in view of making the information easier to understand for retail investors.

- **The ESAs’ attempt to fix some of the current framework’s technical challenges with reviewing the RTS is also welcomed by Eurosif**. However, a fully-fledged review of SFDR level 1 is necessary to address the most fundamental issues. Eurosif made several proposals to that end in its report of June 2022. Consistency with other related ESAs’ workstreams, e.g. on greenwashing and fund names, should also be stressed.
**Question 1**

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)?

We support the extension of the list of mandatory social indicators for principal adverse impacts to ensure appropriate consideration of all E, S and G matters.

However, we are calling for making the corresponding corporate disclosures mandatory as part of the European Sustainability Reporting Standards (ESRS). Investors and other Financial Market Participants (FMPs) have been calling for improved availability of quality, comparable and reliable corporate sustainability-related disclosures for years. Investors and representative associations including Eurosif expressed their concerns over the Commission’s [draft Delegated Act on ESRS making almost all corporate sustainability disclosures subject to materiality assessments or voluntary](#), as this would hinder obtaining the information needed to comply with SFDR and other sustainable finance rules.

Additionally, it would be useful to consider reformulation of some of the proposed indicators as well as the existing indicators to ensure they are suitable from an investment perspective. For instance, “amount of accumulated earnings in non-cooperative tax jurisdictions for undertakings whose turnover exceeds € 750 million” could be formulated “**Investments in undertakings** whose turnover exceeds € 750 million in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes”.

Overall, “investments in” or “share of investments in” seems much clearer than using the same wording as indicators in sector-agnostic corporate disclosures.

We also believe that wider measures than amendments to SFDR level 2, such as an adequate framework to gather relevant information from investee companies, would be relevant to strengthen social PAI disclosures and ensure investors dispose of the right information to comply with them. Alignment of the content and the timeline of SFDR Social PAI requirements and social indicators under ESRS is crucial, and we are concerned that this is not the approach taken by the European Commission in its draft Delegated Act on ESRS.

On this occasion, we wanted to mention that other initiatives such as further developing the EU Taxonomy framework to include social objectives could be helpful to mobilise capital flows to investments with positive social impact and create a framework for assessing socially sustainable investments, i.e. to cover the social objective for the purpose of Art. 9 products under the SFDR and be an opportunity to create a social Do No Significant Harm (DNSH) framework.
**Question 2**

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

Some of the PAIs that are currently optional are in principle covered by the OECD *guidelines* for multinational enterprises on responsible business conduct and the UN *Guiding Principles* and should therefore be considered as part of PAI indicators 10 and 11 of the SFDR Delegated Regulation, i.e.:

- Investments in companies with incidents of discrimination
- Investments in companies with a high rate of accidents,
- Investments in companies with excessive CEO pay ratio,
- Investments in companies with more than 250 / 500 employees (to be adjusted with the final text of the CSDDD) lacking established processes to conduct environmental and human rights due diligence,
- Investments in companies with more than 250 / 500 employees lacking established processes and measures for preventing trafficking in human beings,
- Investments in companies with operations and suppliers at significant risk of incidents of child labour, forced or compulsory labour and with multiple identified cases of severe human rights issues and incidents,
- Investments in companies with cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery and
- Number of convictions and number of fines for violation of anti-corruption and anti-bribery laws

However, it may be confusing to list these indicators as mandatory. We suggest clarifying the interaction between these opt-in indicators and indicators 10 and 11 and also possibly refer to the guidance of the Platform on Sustainable Finance’s report on what is considered compliance with the Minimum Safeguards under the EU Taxonomy Regulation which also refer to the OECD guidelines and UN Guiding Principles.

To complement the existing indicator on the “board gender diversity” it could be useful to add indicators focusing on additional aspects such as diversity in terms of sustainability expertise. Also, it could be interesting to consider a PAI on “investments in companies without diversity-related policies and trainings”.

We also suggest reviewing all indicators using a wording that is better suited for investment purposes. PAIs should be clearly articulated as “investments in companies with / without ....” or “share of investments in...” rather than just “rate of accidents” or “lack of a human rights policy”. For example, we would rather suggest referring to “investments in companies with high accident rates”.
Question 3

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)?

Overall, we support the inclusion of these additional opt-in social indicators, especially regarding own-workforce.

However, as previously stated for mandatory indicators in Q1 and 2, we call for making the corresponding indicators mandatory under ESRS, to ensure they are indeed disclosed.

We also wanted to flag that wording like “excessive” / “insufficient” could lead to questions as to what could be considered “excessive” / “insufficient”. More clarity on how it should be integrated in the DNSH assessment would be useful, as otherwise there will be a risk of inconsistent application and insufficient comparability.

Question 4

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

See responses to previous questions. It is crucial that SFDR indicators are closely aligned with ESR/CSRD reporting requirements to ensure investors dispose of the relevant information to disclose when reporting on PAI indicators. At this stage, we would not recommend adding additional indicators that would not be covered by the ESRS.

Question 5

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?

We welcome the proposal to refer to the UN Guiding Principles instead of the UN Global Compact in PAI indicators 10 and 11. This improves regulatory consistency as the SFDR Delegated Regulation already references UN Guiding Principles in e.g. articles 51 and 59 and would strengthen articulation with other pieces of EU legislation, such as the EU Taxonomy Regulation which refers to the UN Guiding Principles. In addition, whereas the UN Global Compact refers to voluntary commitments by their signatories, UN Guiding Principles provide a more comprehensive benchmark against which
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investors can assess corporate conduct.

We would recommend that the ESAs refer to the Platform on Sustainable Finance’s guidance clarifying what is understood by compliance with minimum social safeguards, which also refer to the OECD guidelines for MNEs and UN Guiding Principles.

**Question 6**

*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?*

No response.

**Question 7**

*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?*

No response.

**Question 8**

*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?*

Depending on the type of investment and investee company, the choice of using revenues, enterprise value or current value can lead to very different PAI assessments. In particular, “enterprise value” and “current value of investment” should be coherent in terms of timeframe, as market fluctuations can lead to a wide range of results when calculating indicators.

**Question 9**

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

These clarifications and proposed adjustments to the calculation formulae are welcome as they create more transparency across financial market participants and allow more comparability across PAI calculations provided by third-party data providers.
**Question 10**

*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?*

No response.

**Question 11**

*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?*

Yes, we support transparency for the sources of investors’ information and their related challenges, including the disclosure of the sharing of PAI information for which the FMP relies on information directly from investee companies. In addition, the ESAs should specify that raw data that is directly transferred from investee companies to investors via third party data providers should also be included in this disclosure.

We would also like to point out that in addition to the share of information for which FMPs rely on information directly from investee companies, it would be relevant to distinguish and disclose the share of information for which FMPs rely on estimates.

**Question 12**

*The proposals in this consultation paper relate to investment funds’ names in light of specific sectoral concerns. However, considering the SFDR disclosures apply also to other sectors, do you think that these proposals may have implications for other sectors and, if so, would you see merit in having similar guidance for other financial products?*

We agree with the different advantages and drawbacks for each option identified by the ESAs in the consultation paper. Whereas the first option of considering all of the FMPs’ investments allows for more comparability, the second proposed option (using only the relevant categories of exposures in the denominator) would have the merit of offering PAI calculations that are more relevant for each investment. Additionally, the use of FMP’s “all investments” may lead to inflating the denominator compared to using only relevant investments, which mechanically decreases the results of calculations for PAI indicators.

However, to ensure the coherence of the framework, we consider that the definition of "all
investments” for the PAI denominator should continue to include all of the FMPs’ investments. In addition to this disclosure, FMPs could also be allowed to disclose the PAI based on eligible assets (i.e. % of portfolio assets relevant for consideration for corporate/sovereign/real estate indicators) and PAI coverage ratio (i.e. within eligible assets, weighted percentage of assets where data is available) similar to the logic applied in the guidance of the European ESG Template (EET). This would have the merit of giving a more adequate picture of FMPs’ PAIs’ exposures when they deem it necessary while ensuring comparability across the market.

**Question 13**

*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?*

We support the ESAs proposal to articulate this disclosure with the CSRD requirements on value chain transparency and availability of the related disclosures when investee companies are not within the scope of CSRD. As mentioned above, we encourage additional transparency on information regarding investee companies’ value chains to the extent it is readily available for investors, as they can face challenges obtaining such information.

**Question 14**

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

For the specific situation where a FMP is simultaneously long and short in a given instrument, we agree with the ESAs’ proposals to incorporate derivatives with equivalent net long exposures in the PAI numerator calculation when they are used as exposures to investee companies and not for hedging purposes, to avoid any artificial reduction of the PAI numerator and potential greenwashing.

**Question 15**

*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?*

Regarding the long net exposure on a given issuer, we would suggest that the ESAs follow the same approach for the calculation of the sustainable investments of a financial product as it is applied for the treatment of derivatives in the ratio of Taxonomy-aligned investments. This would increase regulatory consistency.
Question 16

*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?*

No response.

Question 17

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

We agree with the assessment that disclosures under DNSH should be made more transparent and comparable across financial market participants. Additionally, we also would like to see a better articulation between the notions of sustainable investment and DNSH across the Taxonomy Regulation and the SFDR for environmental PAI indicators. However, we would warn against significantly increasing the DNSH requirements without first ensuring that transition investments are adequately integrated in the SFDR and wider EU sustainable finance framework, including in CSRD-related disclosure requirements for climate transition plans.

In this regard, as mentioned in answers above, we believe a successful application of SFDR level 2 including many of the ESAs’ proposals would also require a wider framework to be implemented, such as timely and comprehensive ESRS, and a review of SFDR to better integrate the transition dimension of investments (e.g. via a clearer and stronger link between the DNSH assessment and forward-looking metrics such as investee companies’ transition plans and decarbonisation targets).

Given the proposals by the ESAs to ensure better articulation between the SFDR and Taxonomy Regulation regarding the DNSH principle, the development of an extended Taxonomy covering significantly harmful and transitioning activities would also be crucial to support this transition perspective in the SFDR framework and we would encourage the EC to start developing such an extended framework on the basis of the relevant Platform on Sustainable finance reports.

Question 18

*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.*

We support the ESAs’ proposals to make the disclosure of the quantitative PAI thresholds set by financial market participants for DNSH purposes mandatory. In the current framework and pending a review of SFDR level 1 (see response to Q17), FMPs keep some flexibility when setting their quantitative PAI thresholds for DNSH purposes. Therefore, in the absence of a binding general
standard to define these thresholds, there should be full transparency by each FMP regarding how it sets the threshold in each individual case. This would help improve the credibility of FMPs’ own DNSH assessments.

**Question 19**

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

This optional environmental safe harbour raises the question of articulation between the entity-level DNSH assessment of SFDR and the activity-level TSC assessment of the Taxonomy Regulation, which we believe are complementary. While such an optional regime could be a suitable first step to improve the articulation between both frameworks, we would like to request more precision regarding how concretely this would be implemented. We would however see merit in further developing reflections on this proposal as part of a wider review of SFDR level 1.

As the ESAs mention in this consultation, the use of such an optional environmental safe harbour could be helpful to the extent it is limited to certain use of proceeds instruments. In this specific case, removing the overlap between the SFDR and Taxonomy DNSH assessments seems relevant and consistent with the latest guidance from the Commission, indicating that use of proceeds instruments’ investments in Taxonomy-aligned activities can be considered sustainable investments under SFDR. This should however be accompanied by strict caveats, such as the use of proceeds leading to investments in Taxonomy-aligned economic activities or in activities contributing to a sustainable transition and ensuring that all of the companies’ remaining activities comply with the Taxonomy’s minimum safeguards and do not significantly harm any of its objectives. Here again, the Taxonomy not covering all economic activities, nor always harmful/transition activities and not integrating social objectives, could be detrimental to the use of this safe harbour.

In addition, the optionality of such a regime could lead to a situation where some financial market participants’ DNSH assessment at product level would be Taxonomy TSC-based, while others would still be based on the SFDR disclosure approach. This could be detrimental to overall comparability across products.

In addition, in line with the latest Commission Q&A on the articulation between the Taxonomy Regulation and SFDR, we would suggest the ESAs clarify that such a safe harbour would not apply to other general-purpose instruments and that “the FMP would still need to: (i) check whether the rest of the economic activities of the undertaking comply with the environmental elements of the SFDR DNSH principle; and (ii) assess whether she/he considers the contribution to the environmental objective sufficient”. Otherwise, this would create a loophole which could in practice mean that investments in companies with a given percentage of Taxonomy-alignment would bypass the SFDR DNSH assessment even though the remainder of the investee company’s activities could cause significant harm to environmental or social objectives.
**Question 20**

*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.*

We agree that in the longer term, a better articulation between the SFDR and Taxonomy Regulation’s respective consideration of sustainable investments is needed. Using the Taxonomy’s Technical Screening Criteria would give a scientific, credible basis for assessing whether investments do harm sustainability objectives, which theoretically would improve comparability across products.

However, we see merit in keeping both the entity-level DNSH assessment of SFDR and the activity-level assessment of the Taxonomy Regulation, as they complement each other to adequately assess the sustainability of most financial instruments as indicated in Q19. ESAs and EU policymakers should also avoid a situation where Taxonomy TSCs would end up being used as a way to circumvent the company-level SFDR DNSH assessment, which also includes social and governance considerations.

**Question 21**

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

As stated above, in the longer term, a successful application of SFDR would require a wider framework to be implemented, such as a review of SFDR level 1, an extended Taxonomy covering significantly harmful and transitioning activities and comprehensive and timely E, S and G disclosure requirements for investee companies via ambitious and timely ESRS.

**Question 22**

*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.*

We support introducing additional transparency on GHG emissions reduction targets via narrative explanations in the relevant SFDR templates. In conjunction with clearer disclosures on how targets would be reached (portfolio-level divestment or investee company-level investments/engagement), this would bring clearer, more reliable information useful for decision-making to end investors. However, in practice, an investor may use a combination of all these approaches and the ESAs should clarify that this must be disclosed in the templates. Additionally, we would support further clarifying the distinction between investor and company impact within the SFDR framework.
In line with the recent Commission Communication on transition finance, we would highlight that it is critical to better integrate investments in transitioning assets in the SFDR framework, allowing and acknowledging investments in companies disposing of credible climate transition plans (as outlined in the CSRD/ESRS) with the objective of decarbonising their activities at investee company-level within the SFDR framework, rather than focus only on portfolio-level divestment, which is however also relevant.

**Question 23**

*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.*

No response.

**Question 24**

*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.*

As stated above, we strongly support incorporating the distinction between investee company-level and product-level commitments in reducing GHG emissions and between company and investor impact in the SFDR framework. Such a distinction is useful for FMPs as it allows them to be more transparent towards the end investor regarding the actual purpose of the product. The narrative disclosures should also require FMPs to clearly specify whether a combination of approaches is used, which would for example give more transparency to end investors as to whether a divestment strategy is used as part of a screening exercise or as a final stage of an engagement strategy. It should be stressed here again that credible transition plan disclosures (as defined in CSRD/ESRS and eventually in the final CSDDDD requirements) will also be necessary for investors to adequately set the products’ targets when committing to decarbonisation at investee company-level.

Additionally, as noted by the ESAs, we would highlight that due to GHG targets being disclosed as financed GHG emissions expressed in tonnes of CO2-equivalent per million of euros in investment, a reduction of financed GHG emissions at portfolio level would not mean that real economy decarbonisation is achieved. This caveat should be clearly explained to end investors in the narrative disclosures.
Question 25

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.

No response.

Question 26

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.

No response.

Question 27

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.

As with other disclosure requirements under SFDR, we strongly support alignment of SFDR requirements with CSRD and ESRS disclosure requirements.

Question 28

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.

Consistency in the EU sustainable finance framework is of the utmost importance. Consequently, the treatment of carbon credits/removals should be aligned with CSRD requirements. Investee companies should reach their targets primarily via reducing their GHG emissions rather than using carbon credits and disclosures regarding GHG emission reductions and avoided emissions should be separate. As highlighted above, we strongly support the ESAs’ proposals to align SFDR PAI indicators with ESRS...
indicators including E1, which should be ambitious in terms of data points made available to investors and implementation timeline.

**Question 29**

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.

Yes, we would be supportive of disclosures regarding the alignment between FMPs’ product-level targets and entity-level decarbonisation strategy and transition plans.

**Question 30**

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?

We support the inclusion of a summary/dashboard at the top of disclosures, which seems to be useful for retail investors.

**Question 31**

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?

No response.

**Question 32**

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

No response.
**Question 33**

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

No response.

**Question 34**

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

No response.

**Question 35**

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

Yes, we agree with the ESA’s proposed approach.

**Question 36**

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

We welcome the fact that ESAs are proposing to align the use of the wording “estimates” across both the Taxonomy Regulation and SFDR for PAI calculations. However, we consider that more guidance is necessary regarding the consistency of use of estimates across SFDR (regarding substantial contribution, DNSH, and minimum safeguards) and across EU sustainable finance regulations. We also suggest that the ESAs and European Commission use the Platform on Sustainable Finance’s data and usability report to further develop this guidance.

**Question 37**

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?

No response.
**Question 38**

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

No response.

**Question 39**

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

No response.

**Question 40**

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

No response.

**Question 41**

*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?*

No response.

**Question 42**

*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?*

No response.
Question 43

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

No response.