



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

ESAs Survey on templates for Environmental and/or Social financial products under SFDR

Fields marked with * are mandatory.

Introduction

The European Supervisory Authorities (ESAs) welcome comments on this survey setting out the details of the **presentation of the information** to be disclosed pursuant to Article 8(3), Article 9(5) and Article 11(4) of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services (SFDR). This information concerns pre-contractual and periodic disclosures to be included in existing disclosures provided for under EU sectoral legislation and provided by, for example, AIFMs, UCITS management companies, insurance undertakings, IORPs or PEPP providers. The ESAs propose to standardise the disclosures by requiring the use of specific templates, recognising the need for standardisation of disclosures to promote comparability of different financial products in different Member States with respect to ESG information, in line with Recital 9 of the SFDR.

The colour of the font and of the template's background, as well as type of font to be used are not prescribed in the templates. These should be adapted by the financial market participants to fit the formatting of the underlying document to which the templates are integrated (prospectus, annual report, pre-enrolment disclosure for prospective pension scheme members, etc).

The final content of the templates is subject to the outcome of concurrent consumer testing exercise and the final report of the ESAs on the draft RTS under SFDR.

The consultation package includes:

- Three preliminary, **illustrative mock-ups** of pre-contractual and periodic disclosure templates of products promoting Environmental and/or Social (E/S) characteristics (under Article 8 and Article 11 of the SFDR). The templates for the disclosure of products with a sustainable investment objective (Article 9) are very similar to those for the products promoting E/S characteristics and have not been included in the on-line survey. **N.B. These mock-ups are purely illustrative for the purposes of gathering feedback on the presentation of information. The pre-contractual mock-up is presented in two variations: with and without icons, to gather feedback on the use of the icons. Please note that some of the sections of the templates (notably on "benchmarks", are not applicable for all products when not relevant - as defined in the draft RTS).**

- An on-line survey

The ESAs particularly invite comments on presentational aspects of the mock-ups as the content of the mock-ups already reflects the current text of the draft RTS which were addressed in the recent public consultation on the on content, methodologies and presentation of disclosures under the SFDR that ran from 23 April until 1 September 2020.

Comments are most helpful if they:

- contain a clear rationale; and describe any alternatives the ESAs should consider.
- When describing alternative approaches, the ESAs encourage stakeholders to consider how the approach would achieve the key objectives of the SFDR regarding product disclosures, namely to prevent “greenwashing” and reduce information asymmetries for end investors.

Submission of responses

The consultation paper is available on the websites of the three ESAs and the Joint Committee. Comments must be sent using the EUsurvey by **16 October 2020**.

Contributions not provided in the EUsurvey tool for comments, or after the deadline will not be processed.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise in the respective field in the template for comments. A confidential response may be requested from us in accordance with ESAs rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESAs Board of Appeal and the European Ombudsman.

Data protection

The protection of individuals with regard to the processing of personal data by the ESAs is based on Regulation (EU) 2018/17253. 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.

About you

* Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian

- Finnish
- French
- Gaelic
- German
- Greek
- Hungarian
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

* I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

* First name

Marie-Luise

* Surname

Kern

* Email (this won't be published)

marie-luise.kern@zia-deutschland.de

* Organisation name

255 character(s) maximum

* Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

255 character(s) maximum

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

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* Country of origin

Please add your country of origin, or that of your organisation.

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- Benin
- Bermuda
- Bhutan

- Bolivia
- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria

- Burkina Faso
- Burundi

- Cambodia
- Cameroon
- Canada
- Cape Verde
- Cayman Islands

- Central African Republic
- Chad
- Chile
- China
- Christmas Island
- Clipperton
- Cocos (Keeling) Islands
- Colombia
- Comoros
- Congo
- Cook Islands
- Costa Rica
- Côte d'Ivoire
- Croatia
- Cuba
- Curaçao
- Cyprus

- Gibraltar
- Greece
- Greenland

- Grenada
- Guadeloupe

- Guam

- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau

- Guyana
- Haiti
- Heard Island and McDonald Islands
- Honduras
- Hong Kong

- Hungary
- Iceland
- India
- Indonesia
- Iran

- Iraq

- Ireland
- Isle of Man
- Israel
- Italy
- Jamaica
- Japan

- Jersey
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia

- Morocco
- Mozambique
- Myanmar/Burma

- Namibia
- Nauru

- Nepal

- Netherlands
- New Caledonia
- New Zealand
- Nicaragua

- Niger
- Nigeria
- Niue

- Norfolk Island
- Northern Mariana Islands
- North Korea
- North Macedonia
- Norway
- Oman
- Pakistan

- Palau

- Palestine
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Philippines

- Pitcairn Islands
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Rwanda
- Saint Barthélemy

- Sudan
- Suriname
- Svalbard and Jan Mayen
- Sweden
- Switzerland

- Syria

- Taiwan
- Tajikistan
- Tanzania
- Thailand

- The Gambia
- Timor-Leste
- Togo

- Tokelau
- Tonga

- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Turks and Caicos Islands
- Tuvalu

- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
- United States
- United States Minor Outlying Islands
- Uruguay
- US Virgin Islands
- Uzbekistan
- Vanuatu
- Vatican City
- Venezuela
- Vietnam
- Wallis and Futuna
- Western Sahara
- Yemen

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| <input type="radio"/> Democratic Republic
of the Congo | <input type="radio"/> Lesotho | <input type="radio"/> Saint Kitts and Nevis | <input type="radio"/> Zimbabwe |
| <input type="radio"/> Denmark | <input type="radio"/> Liberia | <input type="radio"/> Saint Lucia | |

* Publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

Anonymous

Only your type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

Public

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

I agree with the [personal data protection provisions](#)

Survey - introduction

The illustrative mock-ups relate to disclosure documents for a fictitious exchange traded fund (ETF).

Most ETFs are index funds. This means that they usually replicate the index by holding the same securities in the same proportions as a certain stock market index. This product replicates a fictitious index, called TRXI World Fossil Fuel Free Index, which replicates the total market index TRXI World Index, but excludes from it companies that own solid fossil fuel reserves.

The three documents that you can download are illustrative mock-ups of ESG information from the following underlying documents:

- Prospectus of the ETF – which provides information before buying the product
- Annual report of the ETF – which provides information on the product for the last 12 months

The mock-ups are named as follows:

- Mock-up 1: pre-contractual disclosure for a product promoting Environmental or/and Social characteristics (with icons)
- Mock-up 2: pre-contractual disclosure for a product promoting Environmental or/and Social characteristics (without icons)
- Mock-up 3: periodic disclosure for a product promoting Environmental or/and Social characteristics (with icons)

Before answering the questions, please click on these three links to download the three illustrative mock-ups (PDF):

[Illustrative mock-up 1 Pre-contractual with icons.pdf](#)

[Illustrative mock-up 2 Pre-contractual without icons.pdf](#)

[Illustrative mock-up 3 Periodic with icons.pdf](#)

Questions

* **Q1. How useful is the highly standardised presentation of the information in this format?**

between 1 and 1 choices

- Useless
- Fairly useless
- Neither useless nor useful
- Fairly useful
- Very useful

Please explain:

As an umbrella organisation of entrepreneurs and federations, the German Property Federation (ZIA) represents the interests of the property sector along its entire value chain, as well as all its types of uses. Among the members represented by the ZIA are a large number of financial market participants, including more than 40 AIFM that manage open and closed-end real estate AIF.

In general we welcome the approach of a standardised template based on the demonstrated mock-up. It is of appropriate length, clearly structured and not too complex for investors.

However, the illustrative mock-up refers to the disclosure requirements of an ETF that invests in companies and does not reflect adequately other types of investments such as real estate investments at this point. Due to the fact that the mock-up is only an illustrative example we assume that there will be enough flexibility when filling in the template for other asset classes. This should be clarified.

Furthermore the types of possible products that fall under the SFDR are too diverse to capture with – in terms of content - only one (pre-contractual/periodic) template. As there are

- products which only promote environmental and/or social characteristics without having a sustainable investment as their objective,
- products which promote environmental and/or social characteristics and furthermore have a sustainable investment as their objective and finally
- products which have only a sustainable investment as their objective,

we consider it necessary to provide three different kinds of templates.

Our comments in detail:

- The introduction text of the pre-contractual mock-up containing the warning statement according to Art. 16 (1) RTS might be confusing/misleading for investors who are not aware of the nuances between products which promote E/S characteristics, products with sustainable investments as an objective and products which partially invest in assets that have a sustainable objective according to the taxonomy. These different objectives should not be mixed up at this prominent place. Furthermore the statement that the product does not have a sustainable investment as an objective could lead to the misunderstanding that products according to Art. 8 SFDR are hardly sustainable at all.
- The mock-up contains a lot of repetitive information that seems to be redundant, e.g. in the first part of the pre-contractual document under the section „What investment strategy does this financial product follow?“ In the interest of simplification we propose to reduce these parts or to summarize the information in accordance with Draft RTS Art. 17 (a).
- The graphs used as visual aids under the section „In which economic sectors are the investments made?“ might not fit for products that do not invest in investment companies. For real estate investments in particular it remains unclear how this graph should be applied. At the same time we do not see any benefit of this graph for real estate investments. Applying this to real estate investments could mean that only one bar is shown in the second diagram. Against this background we assume that the graph does not need to be strictly adopted respectively the graphs should not be mandatory. This should be clarified.
- As mentioned above: Despite missing exact definitions for Art. 8 and Art. 9 SFDR products, they clearly have different characteristics. The template should reflect this differences much more clearly or different kind of templates should be made available. The basic case of a product that, according to Art. 8 SFDR, promotes environmental and/or social characteristics will not have a sustainable investment as an objective The mock-up could lead to the misunderstanding that products according to Art. 8 always have a sustainable investment as their objective.

* **Q2.** More specifically, how useful is the presentation of the information with the use of **icons** as visual aids (in mock-up 1 and 3)?

The pictures below show examples of the icons used in the templates.

between 1 and 1 choices

- Useless
- Fairly useless
- Neither useless nor useful
- Fairly useful
- Very useful

Examples of the icons used in mock-up 1 and 3

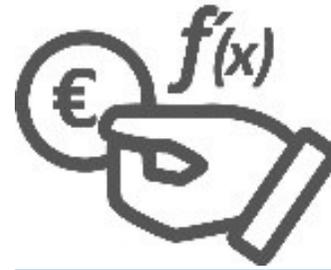
1.jpg



2.jpg



4.jpg



5.jpg



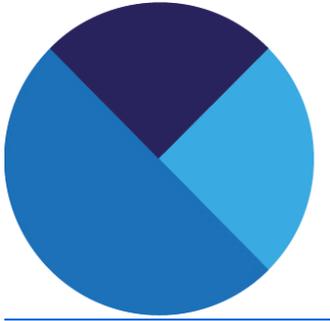
6.jpg



ESG_additional_icons_hands-01.jpg



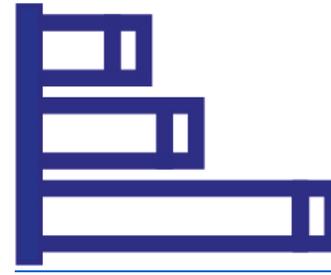
ESG_additional_icons_pie_chart-01.jpg



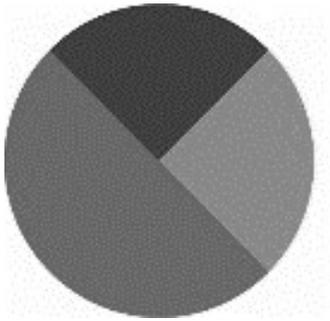
ESG_additional_icons_clock-01.jpg



ESG_additional_icons_bar_chart-01.jpg



3.jpg



Please explain:

* **Q3.** More specifically, how useful is the presentation of the information with the use of **graphs** as visual aids?

The graphs below are examples of the graphs used in the templates.

between 1 and 1 choices

- Useless
- Fairly useless
- Neither useless nor useful
- Fairly useful
- Very useful

Examples of the graphs used



Please explain:

As mentioned above the graphs cannot be transferred to other asset classes as e.g. real estate. Therefore we expect that there will be considerable flexibility when creating the graphs.

Furthermore we recommend that the graphs should be a voluntary element of the templates.

* **Q4.** More specifically, how useful is the presentation of the information with the use of **explanatory notes**, in the column at the right side of the document, which are presented on a grey background)?

The picture below shows an example of one of the explanatory notes used in the templates.

between 1 and 1 choices

- Useless
- Fairly useless
- Neither useless nor useful
- Fairly useful
- Very useful

The category **#1 Aligned with E/S characteristics** includes any investment that is aligned with the characteristic:

- The **Subcategory #1A** covers investments that are qualified as sustainable. A sustainable investment means an investment in an economic activity that contributes to an environmental objective, measured for example by key resource efficiency indicators such as CO2 emissions, or the use of water, or an investment that contributes to a social objective, such as tackling inequality or that fosters social cohesion.

- The **sub-category #1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that **do not** meet the criteria of 'sustainable investment'.

Please explain:

In our view the explanatory notes are generally helpful.

However, they are very abstract without any reference to the relevant product. It would be more useful if the explanatory notes highlighted at least some of the specific characteristics of the product.

* **Q5.** Are there any presentational aspects that might make it hard to understand the sustainability-aspects of products?

For example, with regards the distinction between the sub-categories of investments, namely between #1A and #1B?

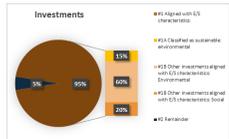
The pictures below show examples of the use of #1A and #1B sub-categories in the templates.

between 1 and 1 choices

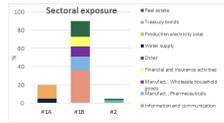
- Yes
- No
- Other

Illustrations of the distinction between sub-categories

Investments.jpg



sectoral.jpg



_1.jpg

*The category **#1 Aligned with E/S characteristics** includes any investment that is aligned with the characteristic:*

*- The **Subcategory #1A** covers investments that are qualified as sustainable. A sustainable investment means an investment in an economic activity that contributes to an environmental objective, measured for example by key resource efficiency indicators such as CO2 emissions, or the use of water, or an investment that contributes to a social objective, such as tackling inequality or that fosters social cohesion.*

*- The **sub-category #1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that **do not** meet the criteria of 'sustainable investment'.*

Please explain:

At this point the possible categories of sustainable products under SFDR are too mixed up (see Q1). As a result, the presentational aspects between the sub-categories are difficult to distinguish. We suggest a clearer distinction between products that only promote environmental and/or social characteristics, products that additionally pursue a sustainable investment as their objective and finally products that exclusively have a sustainable investment as their objective.

Q6. Do you have any other suggestions or comments to improve the presentation of these disclosure documents?

See our remarks above – even if we assume that there is sufficient room for interpretation when filling in the templates, we suggest a clarification in this respect.

Q7. When the templates are presented via **digital media**, can you foresee any particular challenges? Can you suggest how these particular challenges could be overcome while retaining the core aspects of the standardised template format?

Useful links

[Consultation Paper Draft RTS \(https://www.esma.europa.eu/press-news/consultations/joint-esa-consultation-esg-disclosures\)](https://www.esma.europa.eu/press-news/consultations/joint-esa-consultation-esg-disclosures)

Background Documents

[Mock-up 1 Pre-contractual with icons](#)

[Mock-up 2 Pre-contractual without icons](#)

[Mock-up 3 Periodic with icons](#)

Contact

[Contact Form](#)