



Public consultation on institutional investors and asset managers' duties regarding sustainability

Fields marked with * are mandatory.

Introduction

At the end of 2015, governments from around the world chose a more sustainable path for our planet and our economy by adopting the Paris agreement on climate change and the UN 2030 Agenda for Sustainable Development.

Sustainability has since long been at the heart of the European project. The EU is committed to development that meets the needs of the present without compromising the ability of future generations to meet their own needs ([Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'Next steps for a sustainable European future European action for sustainability' {SWD\(2016\) 390 final}](#)).

The EU wants its financial system to be aligned with its sustainability objectives. The commitment to incorporating sustainability elements into EU financial services policies and cross cutting initiatives is ingrained in the Mid-Term Review of the Capital Markets Union Action Plan ([Mid-Term Review of the Capital Markets Union Action Plan - COM\(2017\) 292 final](#)).

To develop the overall vision of sustainable finance that this requires, the Commission decided last year to appoint a High-Level Expert Group (HLEG) on sustainable finance under the chairmanship of Christian Thimann. This group is supporting the Commission to develop an overarching and comprehensive EU strategy on sustainable finance.

On 13 July 2017, the HLEG published its interim report which provided a comprehensive vision on sustainable finance. It identified two imperatives for Europe's financial system. "The first is to strengthen financial stability and asset pricing, by improving the assessment and management of long term risks and intangible factors of value creation. The second is to improve the contribution of the financial sector to sustainable and inclusive growth by financing long-term needs and accelerating the shift to a sustainable economy".

In its interim report ([EU High-Level Expert Group on Sustainable Finance, 'Financing a sustainable European economy' Interim report, July 2017](#)), the HLEG proposed eight early recommendations for policy action on sustainable finance. The third recommendation focused on establishing a "fiduciary duty"

that encompasses sustainability. The HLEG suggested clarifying that the duties of institutional investors and asset managers explicitly integrate material environmental, social and governance (ESG) factors and long term sustainability.

Given the maturity and the interest of the HLEG recommendation, the Commission has decided to start work on an impact assessment to assess whether and how a clarification of the duties of institutional investors and asset managers in terms of sustainability could contribute to a more efficient allocation of capital, and to sustainable and inclusive growth.

The duties of care, loyalty and prudence are embedded in the EU's financial framework governing obligations that institutional investors and asset managers owe to their end-investors/scheme members. These duties are the foundation of investment process.

The implementation of these duties implies fulfillment of various obligations for asset managers and institutional investors that include, for instance, the duty to act in the best interest of beneficiaries /investors, with due care, skill and diligence in performing their activities, including the identification and management of conflict of interests. They are also required to act honestly, and ensure adequate and proportionate performance of their activities.

Although these duties are embedded in the EU financial legal framework, it appears unclear that they require institutional investors and asset managers to assess the materiality of sustainability risks (i.e risks relating to environmental, social and governance issues). Market practices indicate that institutional investors and asset managers generally understand these duties as requiring a focus on maximising short-term financial returns and disregard long-term effects on performance due to sustainability factors and risks. This can lead to misallocation of capital and might give rise to concerns about financial stability since markets can be vulnerable to abrupt corrections, such as those associated with the delayed transition to low carbon economies.

This consultation will help the Commission gather and analyse the necessary evidence to determine possible action to improve the assessment and integration of sustainability factors in the relevant investment entities' decision-making process.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-investors-duties-sustainability@ec.europa.eu.

More information:

- [on this consultation](#)
- [on the protection of personal data regime for this consultation](#)

Glossary

Relevant investment entities: entities managing assets entrusted to them

Sustainability factors: for the purpose of this consultation, sustainability factors refer to environmental, social and governance issues as defined by the United Nations Environment Programme (UNEP) ([UNEP Inquiry, Definitions and Concepts: Background Note, 2016](#)). The exact scope of sustainability factors to be addressed is also the object of this consultation.

Environmental issues relate to the quality and functioning of the natural environment and natural systems including biodiversity loss; greenhouse gas emissions, renewable energy, energy efficiency, natural resource depletion or pollution; waste management; ozone depletion; changes in land use; ocean acidification and changes to the nitrogen and phosphorus cycles

Social issues relate to rights, well-being and interests of people and communities including human rights, labour standards, health and safety, relations with local communities, activities in conflict zones, health and access to medicine, consumer protection; and controversial weapons.

Governance issues relate to the management of investee entities. Issues include board structure, size, diversity, skills and independence; executive pay; shareholder rights; stakeholder interaction; disclosure of information; business ethics; bribery and corruption; internal controls and risk management; and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its other stakeholders.

1. Information about you

* Are you replying as:

- a private individual
- an organisation or a company
- a public authority or an international organisation

* Name of your organisation:

BETTER FINANCE

Contact email address:

The information you provide here is for administrative purposes only and will not be published

vial@betterfinance.eu

* Is your organisation included in the Transparency Register?

(If your organisation is not registered, [we invite you to register here](#), although it is not compulsory to be registered to reply to this consultation. [Why a transparency register?](#))

- Yes
- No

* If so, please indicate your Register ID number:

24633926420-79

* Type of organisation:

- Academic institution
- Company, SME, micro-enterprise, sole trader
- Institutional investor
- Consultancy, law firm
- Consumer association
- Industry association
- Media
- Non-governmental organisation
- Think tank
- Trade union
- Other

* Where are you based and/or where do you carry out your activity?

Belgium

*Field of activity or sector (*if applicable*):

at least 1 choice(s)

- Accounting
- Auditing
- Banking
- Credit rating agencies
- Insurance
- Occupational pension provision
- Personal pension provision
- Collective Investment Management
- Individual portfolio management
- Financial advice
- Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)
- Service provider (e.g. index provider, research providers)
- Other
- Not applicable

Total assets under management in EUR (as of 30.09.2017)



Important notice on the publication of responses

*Contributions received are intended for publication on the Commission's website. Do you agree to your contribution being published?

([see specific privacy statement](#) )

- Yes, I agree to my response being published under the name I indicate (*name of your organisation /company/public authority or your name if your reply as an individual*)
- No, I do not want my response to be published

2. Your opinion

2.1 Questions addressed to all respondents:

I. General overview

1) Do you think relevant investment entities should consider sustainability factors in their investment decision-making?

- Yes
- No
-

No opinion

Please explain the reasons:

As part of the Paris agreement, the EU has taken ambitious steps for the transition to a sustainable European economy (HLEG Interim report, p.9) . BETTER FINANCE supports the integration of sustainability into the mandate of the European Supervisory Authorities (ESAs) in order to put pressure on the financial sector to address these issues (“Greening finance for sustainable business” – Speech by Vice-President for the Euro and Social Dialogue, Financial Stability and Financial Services Valdis Dombrovskis http://europa.eu/rapid/press-release_SPEECH-17-5235_en.htm) . To this end, institutional investors and asset managers should therefore also consider sustainability factors in their investment decision-making such as environment, climate, social and governance factors but should also provide long term investment products. As underlined by the High-Level Expert Group on Sustainable finance, there is a “need to incorporate long-term and sustainable value creation...the financial industry and EU regulators must adjust their goals, metrics and disclosure requirements to the mostly long-term horizon of EU savers and investors”. In that sense, and as underlined by BETTER FINANCE in its press release in July 2017 (http://betterfinance.eu/fileadmin/user_upload/documents/Press_Releases/en/Other_investors/PR_-_SUSTAINABLE_FINANCE_-_2017_0714_01.pdf) , EU citizens as savers are by nature mostly long-term driven since 67% of their total assets are deployed in long term investments, versus only 37% for pension funds (despite their purely long-term horizon) and 11% for insurers. This shows that EU savers have a great need for “sustainable finance”. Investment entities should therefore also adjust their goals, metrics and disclosure requirements to long-term horizon of EU savers and investors.

2) What are the sustainability factors that the relevant investment entities should consider? (Please make a choice and indicate the importance of the different factors (1 is not important and 5 is very important). (Please refer to the definition in the Glossary).

| | Yes | No | No opinion |
|--|----------------------------------|-----------------------|-----------------------|
| Climate factors (these include climate mitigation factors as well as climate resilience factors) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Other environmental factors | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Social factors | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Governance factors | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Others | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Please specify others:

Institutional investors and asset managers should take into account climate, environmental, social and governance factors but also economic factors to ensure the viability of investment products offered to investors and savers. As already pointed out by BETTER FINANCE (BETTER FINANCE Press release “Sustainable finance products must fully comply with consumer protection rules and really create “long-term and sustainable value” http://betterfinance.eu/fileadmin/user_upload/documents/Press_Releases/en/Other_investors/PR_-_SUSTAINABLE_FINANCE_-_2017_0714_01.pdf) , finance should ensure “long-term and sustainable value creation” and should ensure returns (after charges and inflation) that are positive over the long-term.

To this end, disclosure on costs and past performance is an essential instrument for individual investors. As underlined by the HLEG, “disclosure is an essential instrument in helping the financial system steer firms towards a sustainable economy” (Interim report of the High-Level Expert Group on sustainable finance, p.20)

Sustainable finance products must also fully comply with EU rules on fair, clear and not misleading information and this compliance with investor and consumer protection rules must constitute a fortiori key requisite for granting ESG and SRI label.

Importance for climate factors:

- 1
- 2
- 3
- 4
- 5

Importance for other environmental factors:

- 1
- 2
- 3
- 4
- 5

Importance for social factors:

- 1
- 2
- 3
- 4
- 5

Importance for governance factors:

- 1
- 2
- 3
- 4
- 5

Importance for others:

- 1
- 2
- 3
- 4
- 5

Please specify, which specific factors within the above categories you are considering, if any:

3) Based on which criteria should the relevant investment entities consider sustainability factors in their investment decision making?

Please explain:

BETTER FINANCE underlined that investment entities should first apply Environmental, Social and Governmental (ESG) criteria to their own activities and in particular governance and transparency ones. In its research on Closet indexing, BETTER FINANCE found that some funds (advertised as using ESG criteria to select stocks) had an historic performance fees over five years very close from the “mainstream” benchmark. That means that there were no differences in performance between the funds labeled SRI and the mainstream equity market. Moreover, those funds, although advertised as an actively managed fund, and therefore charging much higher fees than index (passively managed) funds, had one of the highest potentials of being a closet index fund following ESMA’ s quantitative methodology. Investment entities should therefore increase their disclosure and be more compliant with EU rules on fair, clear and non-misleading information.

4) Which of the following entities should consider sustainability factors in their investment decision-making? (Possibility to select several answers). If so, please indicate the level of impact that this would have (1 is the smallest impact and 5 is the highest impact).

| | Yes | No | No opinion |
|--|----------------------------------|-----------------------|-----------------------|
| Occupational pension providers | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Personal pension providers | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Life insurance providers | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Non-life insurance providers | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Collective investment funds (UCITS, AIF, EuVECA, EuSEF, ELTIF) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Individual portfolio managers | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Please explain:

All categories of investment entities should consider sustainability in their investment decision making.

Level of impact for occupational pension providers:

- 1
- 2

- 3
- 4
- 5

Level of impact for personal pension providers:

- 1
- 2
- 3
- 4
- 5

Level of impact for life insurance providers:

- 1
- 2
- 3
- 4
- 5

Level of impact non-life insurance providers:

- 1
- 2
- 3
- 4
- 5

Level of impact for collective investment funds (UCITS, AIF, EuVECA, EuSEF, ELTIF):

- 1
- 2
- 3
- 4
- 5

Level of impact for individual portfolio managers:

- 1
- 2
- 3
- 4
- 5

II. Problem

5) To your knowledge, what share of investment entities active in the EEA (European Economic Area) currently consider sustainability factors in their investment decisions?

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

| | All or almost all | More than two thirds | More than half | More than a third | None or almost none | No opinion |
|--|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------------|-----------------------|
| Occupational pension providers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| Personal pension providers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| Life insurance providers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| Non-life insurance providers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| Collective investment funds (UCITS, AIF, EuVECA, EuSEF, ELTIF) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| Individual portfolio managers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

6) To your knowledge, which is the level of integration of sustainability factors by the different investment entities (active in the EEA)?

| | High integration | Medium integration | Low integration | No integration | No opinion |
|--|-----------------------|-----------------------|----------------------------------|-----------------------|-----------------------|
| Occupational pension providers | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Personal pension providers | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Life insurance providers | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Non-life insurance providers | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Collective investment funds (UCITS, AIF, EuVECA, EuSEF, ELTIF) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Individual portfolio managers | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

7) Which constraints prevent relevant investment entities from integrating sustainability factors or facilitate their disregard. Please provide the importance of the different constraints that you consider relevant (1 is not important and 5 is very important).

| | 1 | 2 | 3 | 4 | 5 | No opinion |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Lack of expertise and experience | <input type="radio"/> |
| Lack of data/research | <input type="radio"/> |
| Lack of impact on asset performance | <input type="radio"/> |
| Inadequate methodologies for the calculation of sustainability risks | <input type="radio"/> |
| Inadequate sustainable impact metrics | <input type="radio"/> |

| | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Excessive costs for the scale of your company | <input type="radio"/> |
| No interest from financial intermediaries | <input type="radio"/> |
| No interest from beneficiaries/clients | <input type="radio"/> |
| European regulatory barriers | <input type="radio"/> |
| National regulatory barriers | <input type="radio"/> |
| Lack of fiscal incentives | <input type="radio"/> |
| Lack of eligible entities | <input type="radio"/> |
| Others | <input type="radio"/> |

8) How challenging is it for relevant investment entities to integrate the different sustainability factors? (1 is not challenging and 5 is very challenging) - Please refer to the definition in the Glossary).

| | 1 | 2 | 3 | 4 | 5 | No opinion |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Climate factors (<i>these include climate mitigation factors as well as climate resilience factors</i>) | <input type="radio"/> |
| Other Environment factors | <input type="radio"/> |
| Social factors | <input type="radio"/> |
| Governance factors | <input type="radio"/> |
| Others | <input type="radio"/> |

III. Policy options

9) In which area should relevant investment entities consider sustainability factors within their investment decision-making? Please make a choice and indicate the relevance of the different areas (1 is minor relevance and 5 is very high relevance).

| | Yes | No | No opinion |
|---------------------|----------------------------------|-----------------------|-----------------------|
| Governance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Investment strategy | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Asset allocation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Risk management | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Others | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Relevance for governance:

- 1
- 2
- 3
- 4
- 5

Relevance for investment strategy:

- 1
- 2
- 3
- 4
- 5

Relevance for asset allocation:

- 1
- 2
- 3
- 4
- 5

Relevance for risk management:

- 1
- 2
- 3
- 4
- 5

10) Within the area of governance, which arrangements would be most appropriate to enable the integration of sustainability factors? (1 is the not appropriate and 5 is the very appropriate).

| | 1 | 2 | 3 | 4 | 5 | No opinion |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Specific sustainability investment Committee | <input type="radio"/> |
| Specific sustainability member of the Board | <input type="radio"/> |
| Sustainability performance as part of remuneration criteria | <input type="radio"/> |
| Integration of sustainability factors in the investment decision process | <input type="radio"/> |
| Integration of sustainability checks in the control process | <input type="radio"/> |
| Periodic reporting to senior management/board | <input type="radio"/> |
| Others | <input type="radio"/> |

11) Should insurance and pension providers consult their beneficiaries on an annual/periodic basis on their preference as regards sustainability factors?

- Yes
- No
- No opinion

Please explain:

As pointed out by BETTER FINANCE (BETTER FINANCE Press release “Sustainable finance products must fully comply with consumer protection rules and really create “long-term and sustainable value”” http://betterfinance.eu/fileadmin/user_upload/documents/Press_Releases/en/Other_investors/PR_-_SUSTAINABLE_FINANCE_-_2017_0714_01.pdf), EU citizens are by nature mostly long-term driven and are in need for “sustainable finance” products. As such, an annual/periodic basis review as regards sustainability factors would in fact be appropriate.

12) Within the portfolio's asset allocation, should relevant investment entities consider sustainability factors even if the consideration of these factors would lead to lower returns to beneficiaries/clients in the medium/short term?

- Yes
- No
- No opinion

Please explain:

BETTER FINANCE already raised the need to put an end to short-termism, which means the financial industry and EU regulators must adjust their goals, metrics and disclosure requirements to the mostly long-term horizon of EU savers and investors.

13) Within the area of risk management, does the current set of corporate disclosures provide the relevant investment entities with adequate information to perform sustainability risk assessments in respect of investee companies?

- Yes
- No
- No opinion

14) Do the overall information or risk metrics available enable the relevant investment entities to adequately perform sustainability risk assessments?

- Yes
- No
- No opinion

15) Do you think that uniform criteria to perform sustainability risk assessments should be developed at EU level?

- Yes
- No
- No opinion

16) In case material exposure to sustainability factors is identified, what are the most appropriate actions to be performed by the relevant investment entity?

17) Should relevant investment entities disclose how they consider sustainability factors within their investment decision-making?

- Yes
- No
- No opinion

IV. Impacts for stakeholders

18) Which stakeholder groups would incur costs and which would benefit from integrating sustainability factors within investment decision-making by relevant investment entities?

| | Benefits | Costs |
|--|--------------------------|--------------------------|
| Occupational pension providers | <input type="checkbox"/> | <input type="checkbox"/> |
| Personal pension providers | <input type="checkbox"/> | <input type="checkbox"/> |
| Life insurance providers | <input type="checkbox"/> | <input type="checkbox"/> |
| Non-life insurance providers | <input type="checkbox"/> | <input type="checkbox"/> |
| Collective investment funds (UCITS, AIF, EuVECA, EuSEF, ELTIF) | <input type="checkbox"/> | <input type="checkbox"/> |
| Individual portfolio managers | <input type="checkbox"/> | <input type="checkbox"/> |
| General public | <input type="checkbox"/> | <input type="checkbox"/> |
| Retail investors | <input type="checkbox"/> | <input type="checkbox"/> |
| Financial advisors | <input type="checkbox"/> | <input type="checkbox"/> |
| Service providers (index provider, research providers...) | <input type="checkbox"/> | <input type="checkbox"/> |
| Other stakeholders (please specify) | <input type="checkbox"/> | <input type="checkbox"/> |

2.2 Questions addressed to end-investors

1) Do you take into account sustainability factors when you choose your investment products or investment entity?

- Yes
- No

Please explain the reasons:

a) If you consider sustainability factors, indicate the importance of the following sustainability factors for your investment decision (1 is the smallest impact and 5 is the highest impact).

| | 1 | 2 | 3 | 4 | 5 | No opinion |
|--|----------------------------------|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Climate factors (these include climate mitigation factors as well as climate resilience factors) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Other environmental factors | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Social factors | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Governance factors | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Others | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Please specify others:

- Disclosure on past performance: As already pointed out by BETTER FINANCE in its press release, finance should ensure “long-term and sustainable value creation” and should ensure returns (after charges and inflation) that are positive over the long-term. To this end, disclosure on costs and past performance is an essential instrument for individual investors. As underlined by the HLEG, “disclosure is an essential instrument in helping the financial system steer firms towards a sustainable economy” .

- Returns: "decent" return are returns that at the very least do not destroy the value of their lifetime's saving, i. e. net (after charges), real (after inflation) returns that are positive over the long-term, and sufficiently high to allow EU citizens to get an adequate pension replacement income.

b) If you consider sustainability factors, is there sufficient information on the different sustainability factors provided by asset managers and institutional investors to help you take informed investment decisions?

| | Yes | No | No opinion |
|---|----------------------------------|----------------------------------|-----------------------|
| Climate factors (<i>these include climate mitigation factors as well as climate resilience factors</i>) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| Other environmental factors | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| Social factors | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| Governance factors | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| Others | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Please specify others:

As we have pointed out in our contribution to the EC public consultation on CMU mid-term review, more transparency on net performance is badly needed, especially in an environment of very low interest rates, rising inflation and often uncompetitive fees. EU citizens holding simple bank savings account are on average losing money after fees and inflation (bank savings account are currently destroying the real value of savings), and the EC and EBA do not even measure and do not seem to know it.

Level of information for climate factors (1 is very little information and 5 is very extensive information):

- 1
- 2
- 3
- 4
- 5

Level of information for other environmental factors (1 is very little information and 5 is very extensive information):

- 1
- 2
- 3
- 4
- 5

Level of information for social factors (1 is very little information and 5 is very extensive information):

- 1
- 2
- 3
- 4
- 5

Level of information for governance factors (1 is very little information and 5 is very extensive information):

- 1
- 2
- 3
- 4
- 5

Level of information for other factors (1 is very little information and 5 is very extensive information):

- 1
- 2
- 3
- 4
- 5

If you indicate that there is insufficient information, what kind of information would allow you to consider sustainability factors when you choose your investment products or investment entity? Please explain and indicate how you would like to receive it.

Currently, EU legislation does not provide enough information on past performance.
 - The PRIIPs Delegated act eliminated all LT performance and benchmark disclosures and replaced those (10 years minimum in the current KID for UCITS funds) with a 5 years only low quality "future scenario".
 - The proposed PEPP regulation requires only years performance disclosure for personal pension product that has at least a 30 to 40 years duration.

2.3 Question specifically addressed to relevant investment entities

1) As a relevant investment entity do you consider sustainability factors?

- Yes
 No

2) What would be the level of costs associated with the integration of sustainability factors in investment decision making in the different areas? Please tick the relevant box. (Costs as % of the AUM).

| | < 0.5% of the AUM | 0.51% to 1% of the AUM | 1.01% to 3% of the AUM | 3.01% to 5% of the AUM | > 5% of the AUM | No opinion |
|-------------------|-----------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|
| Governance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Investment policy | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Valuation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Risk management | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Disclosure | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Overall cost | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

3) Please explain whether integration of sustainability factors in any of the above mentioned areas would lead to particularly significant (or potentially disproportionate) impacts in terms of costs or benefits incurred by stakeholders.

4) Do you engage with your clients/beneficiaries as regards their sustainability preference?

-

- Yes
 No

5) What could be the benefits associated with the integration of sustainability factors? Please, specify and quantify where possible and relevant.

3. Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) here:

51594d58-97e9-46a5-821c-d37e6e388398/PR_-_SUSTAINABLE_FINANCE_-_2017_0714.pdf

Useful links

[More on the Transparency register \(http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en\)](http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en)

[Consultation details \(https://ec.europa.eu/info/consultations/finance-2017-investors-duties-sustainability_en\)](https://ec.europa.eu/info/consultations/finance-2017-investors-duties-sustainability_en)

[Specific privacy statement \(https://ec.europa.eu/info/files/specific-privacy-statement-institutional-investors-and-asset-managers-duties-regarding-sustainability_en\)](https://ec.europa.eu/info/files/specific-privacy-statement-institutional-investors-and-asset-managers-duties-regarding-sustainability_en)

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