



JOINT COMMITTEE OF THE EUROPEAN  
SUPERVISORY AUTHORITIES

# 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	The European Federation of Investors and Financial Services Users (BETTER FINANCE)
Activity	Audit/Legal/Individual
Are you representing an association?	<input type="checkbox"/>
Country/Region	Belgium

## 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>

**BETTER FINANCE, the European Federation of Investors and Financial Services Users**, is the public interest non-governmental organisation **advocating and defending the interests of European citizens as financial services users** at the European level to lawmakers and the public in order to promote research, information and training on investments, savings and personal finances. It is the one and only European-level organisation solely dedicated to the representation of individual investors, savers and other financial services users.

We welcome the newly proposed mandatory social indicators for principal adverse impacts (PAI) under the Sustainable Finance Disclosure Regulation (SFDR), **especially given the importance of consistency** with the current Corporate Sustainability Reporting Directive (CSRD), associated European Sustainability Reporting Standards (ESRS) and associated benefits for the end-users.

Retail investors in particular **can benefit from complete social indicators** when making investment choices, however this can only become effective when **legislation is fully synchronised**. With the current proposal from the European Commission regarding the ESRS, the disclosure requirements are to become subject to materiality assessment, this in turn **can negatively affect** the proposed social indicators within the SFDR and their associated reporting. Ensuring **mandatory disclosures** with the ESRS will **alleviate concerns** of not meeting the PAI in the SFDR. |

<ESMA\_QUESTION\_SFDR\_1>

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

<ESMA\_QUESTION\_SFDR\_2>

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<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>

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<ESMA\_QUESTION\_SFDR\_3>

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

<ESMA\_QUESTION\_SFDR\_4>

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<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>

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<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>

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<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>

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<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>

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<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>

|As representatives of financial services users, **clarity and transparency** are continuously some of the most important tenets to retail investors' expectations. We therefore **agree with the proposal** to require the disclosure of the share of information for the PAI indicators for which the FMP relies upon from investee companies. This would be **informative** as to the extent to which data comes directly from companies and the **proposal could also extend** to disclosing estimates so that the two can be **properly compared** and **prevent** information that can be **misleading**. |

<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>

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<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>

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<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>

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<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>

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<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>

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<ESMA\_QUESTION\_SFDR\_16>

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

<ESMA\_QUESTION\_SFDR\_17>

|BETTER FINANCE **agrees** with ESAs' assessment of the DNSH framework under the SFDR, especially concerning the **urgent need for Level 1 reform** of the SFDR. As mentioned before, synchronisation of legislation can provide the much needed clarity that retail investors need. Currently, the DNSH



framework is **not applied consistently** and this creates **barriers** for retail investors and end-users as well as others alike. With **unclear** application and harmonisation of legislation, understandability and comparability of financial products becomes **burdensome** and may in fact contribute towards **greenwashing** practices and further its multiple associated risks that derive from such a practice. |

<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>

| Mandatory disclosures - with quantitative thresholds - with regard to the DNSH **could be useful** in the context of furthering comparability between financial products and therefore should be encouraged especially since this could result in **greater transparency** and stimulate competition in the market with offerings of products with stricter thresholds for example. |

<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>

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<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>

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<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>

As mentioned in previous answers, **Level 1 reform of SFDR** could **alleviate greenwashing** concerns regarding the DNSH and in general for other notions (**Article 6,8,9** etc.). Additionally, given the way different **sustainability investment strategies** (namely **engagement** among others) are taken into consideration, further **clarity on thresholds, templates, guidance and disclosure** will be beneficial in increasing **comparability** and ultimately reduce risk of greenwashing since FMPs may claim consideration of PAI/DNSH through engagement for example, but provide no evidence of such claim.

<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>

The EU Law rightly requires information provided to individual investors to be clear, i.e., “**presented in a way that is likely to be understood by, the average member of the group to whom it is directed, or by whom it is likely to be received**”<sup>2</sup>, and as such, as representatives of retail investors, we **welcome** the proposed disclosure requirements regarding GHG emissions reduction targets. We would like to only add that for retail investors such information **should be included in the pre-contractual templates** in a way that is clear (i.e. briefly summarise and explain the notion of climate targets and their importance for example).

<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>

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<sup>2</sup> Commission Delegated REGULATION 2017(565) Article 44, Fair, clear and not misleading information requirements (Article 24(3) of Directive 2014/65/EU), 2. (d)

In a similar way to the previous question we **welcome** the proposed approach of linking benchmark disclosures, whereby the **pre-disclosure templates are also inclusive of a brief summary** of the linked **benchmark** and its importance to achieving neutrality by 2050. |

<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>

| BETTER FINANCE is **pleased** to see ESAs integration of the **distinction** between product-level commitment to reduce emissions and a commitment to achieve a reduction in investees' emissions (via reallocations and **active ownership respectively**). However, we would like to see this **integrated** in **general** and not only in the context of information about emissions reduction targets. As we have shown previously, **shareholder engagement** concretely means to actively participate to general meetings of investee companies, vote there and initiate or support resolutions in favour of positively impacting the environment as well as other ESG issues.<sup>3</sup> Additionally, such distinction will **benefit from clearly defined indicators/metrics to measure and ensure appropriate level of the active ownership**. |

<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>

| **Yes**, disclosure on the degree of Paris-Alignment targets **would be useful for end-users**, however we are aware of the **difficulties** in providing an adequate **methodology** assessing the difference between financed emissions with emission reduction in real economy context. To prevent any

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<sup>3</sup> <https://betterfinance.eu/publication/better-finance-position-on-the-classification-of-investment-funds-regarding-sustainability/>

**greenwashing**, the levels of alignment should be accompanied with clear set of **mandatory climate disclosures** at portfolio and fund level for example. |

<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>

| In order to contribute towards better comparability between financial products and ease of understanding, we **welcome** the approach of calculation based on all investments. As mentioned in previous answers, the importance of synchronised legislation is of vital importance and here again the main barrier also relates to the way the current Commission ESRS proposal (with emissions being subject to materiality) can negatively impact the way data might be presented (or not). |

<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>

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<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>

| |

<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 your answer.**

<ESMA\_QUESTION\_SFDR\_29>

**Yes** this approach would be very beneficial - if some **conditions are met** - since the information can be used by end-users for their investment decisions, which will provide them with clear direction of climate commitments and transition plans. The conditions can be supported further in order to ensure no **greenwashing** practices are possible and thereby a strong set of **transition plan metrics** are very important for the implementation of such disclosures (in similar ambition as from the Corporate Sustainability Due Diligence Directive, CSDDD). Such approach is also consistent with other legislation and disclosure requirements (CSRD etc.)

<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>

We are **pleased** to see the **integration of dashboards** at the top of Annexes II-V, in general this could **shorten the templates** and **avoid the information overload** for retail investors and others alike who access those pre-disclosure templates. A similar approach to dashboard/summaries should also be used under the **PRIPPs KID** to enhance **consistency** and improve **understanding**.

Regarding the **SFDR** templates, we would like to reinforce some of our previous suggestions in order to serve better purpose in helping consumers and those retail investors who are less experienced in navigating and understanding the information they are given:

- **include a separate column on the investment strategy (or combination thereof) whether engagement etc. with a link to associated stewardship policy for example. Since the dashboard would be the very first thing that would be seen, it would be very important for the investment strategy of the financial product in question to be displayed there (similar to AMF's proposal)**<sup>4</sup>

<sup>4</sup> <https://www.amf-france.org/sites/institutionnel/files/private/2023-02/AMF%20SFDR%20minimum%20standards%20EN.pdf>

- **provide clear differentiation between characteristics/objective in a summary box at the start of the dashboard. Retail investors are not by default full time investors who are expected to know the constantly evolving EU jargon of definitions and information should be presented in a clear way with the assumption that not all retail investors are aware of the technical differences between Article 8 and 9 funds for example**
- **the dashboard should be clearly separated from the following information in the template and become one page dashboard if necessary in order to truly capture all of the minimum information that retail investors might need. Therefore the dashboard itself should have a title of "Summary" in order to be easily identified as such**
- **given the importance of the current benchmarks to be used and disclosed, the dashboard should also have information on which benchmark is used etc.**
- another element to consider is the integration of key terms and definitions currently presented sporadically within template in a single page summary
- **wherever the template asks questions of a qualitative nature, the retail investor would benefit from a layered approach on how this information is presented – as level of understanding varies. While information should be there, its access and presentation could be improved (though we understand this may require Level 1 changes)**
- **we encourage the use of graphs to stimulate and ease retail investor understanding. Multiple questions under the template could be turned into graphs/charts. This information should be clearly visible and not layered (as is the case under qualitative information).**

<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>

**[ Please see response to previous question (30) ]**

<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>

| Please see response to previous question (30) |

<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>

| No |

<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>

| Yes |

<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>

| Yes we support this approach very much. Especially if this is developed further. |

<ESMA\_QUESTION\_SFDR\_35>

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

<ESMA\_QUESTION\_SFDR\_36>

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<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>

| In order to better define concept of key environmental metrics, Level 1 revisions are needed in order to ensure that greenwashing in general (in the context of environmental metrics and beyond) is prevented. |

<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>

| The ongoing conundrum of what constitutes a sustainable investment under the SFDR, i.e., investments in companies / economic activities that contribute to an environmental or social objective, shows that there is a need for further specification. The EU Law rightly requires information provided to individual investors to be clear, i.e., “presented in a way that is likely to be understood by, the average member of the group to whom it is directed, or by whom it is likely to be received” , and as such, retail investors expect definitions and classifications of funds to be understandable. We believe that this **can be addressed by Level 1 changes**, which would provide **clear thresholds** to what even constitutes as **sustainable investment** and under what condition/metric etc. **Please see our position here**<sup>5</sup> |

<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>

| Retail investors are not by default full-time investors and therefore cross-referencing **could be beneficial to some extent** (only in cases of additional information not being covered in templates), but largely it will simply **shift responsibility** to retail investors to track and see information which **FMPs** can very easily provide on their side otherwise by **aggregating and presenting** the information in **understandable** way when offering products. |

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<sup>5</sup> <https://betterfinance.eu/publication/better-finance-position-on-the-classification-of-investment-funds-regarding-sustainability/>



<ESMA\_QUESTION\_SFDR\_39>

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

<ESMA\_QUESTION\_SFDR\_40>

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<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>

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<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>

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<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>

[There should be additional impact assessment based on consumer/retail investor testing of pre-contractual and periodic ESG financial product information to better accommodate investor needs/expectations particularly in light of new and developing legislation. As consumer testing was conducted in 2020 by ESMA, but no other studies have been done since then.<sup>6</sup> ]

<ESMA\_QUESTION\_SFDR\_43>

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<sup>6</sup> [sfd\\_rts\\_consumer\\_testing\\_2 - sgh.pdf \(europa.eu\)](#)