

**PRESS RELEASE****ESAs ADVISE ON PRIIPS WITH ENVIRONMENTAL OR SOCIAL OBJECTIVES**

**31 July 2017** - On 28 July 2017, the European financial regulators (European Supervisory Authorities or ESAs) released their technical advice on the contents of the Key Information Document (KID) for packaged retail and insurance-based investment products (PRIIPs) with environmental and social objectives (EOS PRIIPs). Surprisingly the Governance component of the "ESG" (Environmental, Social and Governance) investment approach is excluded.

As with general purpose PRIIPs, the ESAs confirm most unfortunately that investors will not have any information on whether the provider has met its investment objectives or not and by how much: the provider only has to disclose these objectives "*and how these will be achieved*".

Worse, the ESAs seem therefore to assume that these objectives will be achieved, and that providers just have to review internally "*the progress made in achieving the specified and disclosed objectives*".

Recent research published by BETTER FINANCE demonstrates on the contrary that some "EOS PRIIPs" (socially responsible investment funds) not only massively failed to achieve their investment objectives over the long term, but also failed to disclose this important warning to investors. Such a warning is required by the MiFID Directives, but seems omitted in the most relevant information document: the KID.

See BETTER FINANCE research results and proposals [here](#).

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Contact: Chief Communications Officer | Arnaud Houdmont | +32 (0)2 514 37 77 | [houdmont@betterfinance.eu](mailto:houdmont@betterfinance.eu)