

# Questionnaire by the High Level Expert Group on sustainable finance interim report

Fields marked with \* are mandatory.

## Introduction

---

### About this questionnaire

The [High Level Expert Group on Sustainable Finance](#) was set up in early January 2017 to help develop an overarching, comprehensive EU strategy on Sustainable Finance by giving operational, practical, and concrete recommendations.

The questionnaire below has been prepared by and under the responsibility of the High-Level Group in relation to the [interim report, published in mid-July 2017](#) and presented at a stakeholder event on 18 July 2017. It is aimed at gathering targeted feedback on the analysis and reflections in the interim report of the High-Level Expert Group and informing the preparation of the final report.

The responses you provide will be made public (if you agree so below) and will serve as information to the expert group. In addition, an aggregated and anonymised feedback statement will be published along with the final report as a further contribution to the wider policy debate on Sustainable Finance in the European Union.

The questionnaire is not a Commission consultation. All the questions as well as evaluation of the responses are under the responsibility of the expert group. Responses will be transmitted to the High-Level Expert Group for their consideration. The Commission is providing the survey tool to gather responses. Responses will be handled in accordance subject to standard Commission protocols on data privacy (see privacy statement on this web-page).

### Timelines/Process

This questionnaire is open from Tuesday 18 July 2017. The **final deadline for the questionnaire is 20 September**. Early transmission of responses (before 6 September) will facilitate processing and early exploitation by the High-Level Expert Group.

Respondents are invited to provide evidence-based feedback, including specific and concise operational suggestions on measures that can be enhanced as well as complementary actions that can be taken, in order to deliver a sustainable financial system in the EU. Respondents are not required to answer all questions and may choose to respond selectively.

To ensure a fair and transparent process **only responses received through the online questionnaire can be considered**.

Should you encounter problems when completing this questionnaire or if you require particular assistance, please [contact fisma-sustainable-finance@ec.europa.eu](mailto:contact_fisma-sustainable-finance@ec.europa.eu).

## Disclaimer

The European Commission is not responsible for the content of this questionnaire even though it uses the EUSurvey service: it remains the sole responsibility of the High-Level Expert Group. The use of the EUSurvey service does not imply a recommendation or endorsement by the European Commission of the views expressed within this questionnaire.



## 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

## 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:

Contact email address:

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

andersson@fese.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:

71488206456-23

\* Type of organisation:

- |   |   |
|---|---|
| <input type="radio"/> Academic institution            | <input type="radio"/> Company, SME, micro-enterprise, sole trader |
| <input type="radio"/> Consultancy, law firm           | <input type="radio"/> Consumer organisation                       |
| <input checked="" type="radio"/> Industry association | <input type="radio"/> Media                                       |
| <input type="radio"/> Non-governmental organisation   | <input type="radio"/> Think tank                                  |
| <input type="radio"/> Trade union                     | <input type="radio"/> 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  
 Pension provision  
 Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)  
 Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)  
 Social entrepreneurship  
 Non-financial services  
 Energy  
 Manufacturing  
 Other  
 Not applicable

## 2. Your opinion

---

Question 1. From your constituency's point of view, what is the most important issue that needs to be addressed to move towards sustainable finance? (sustainable finance being understood as improving the contribution of finance to long-term sustainable and inclusive growth, as well as strengthening financial stability by considering material environmental, social and governance factors)

1500 characters maximum (spaces included)

FESE welcomes the interim report by the High-Level Expert Group on Sustainable Finance and recognises the urgency in finding collective solutions to the challenges posed by climate change.

FESE welcomed the recommendations by the FSB Task Force on Climate-related Financial Disclosures as we consider these will contribute positively to achieving greater certainty about the type of climate related information that preparers of financial information should disclose. Moreover, FESE members actively engage in the UN Sustainable Stock Exchanges initiative to promote sustainable capital markets through which companies are encouraged to perform greater disclosures of relevant ESG issues.

However, FESE considers that any introduction of further disclosures requirements should be driven by market demand. For example, in the green bond space, market standards have in recent years developed and could now benefit from further strengthening by a recommendation or some level of regulation. In general, FESE would caution that disclosure requirements should be considered holistically, by assessing current requirements for listed companies before introducing additional requirements. In this respect there should also be greater clarity regarding:

- The information issuers should disclose;
- The preferred framework for such disclosure;
- Key indicators companies could be required to report;
- The preferred calculation methodology for the relevant metrics.

We consider that should additional disclosure requirements become legally binding, it is important that these disclosures also apply to private firms with comparable economic, social, and environmental footprints. We believe that the relative attractiveness of public markets should be preserved and that it should not be possible to avoid complying with further disclosure requirements by remaining private as this would disincentivize listing and result in decreased overall corporate transparency. Moreover, if a legally binding approach is selected, this should be implemented on a phase-in basis to allow sufficient time for market participants to adapt and assessments to take place.

**The following questions cover selected areas that are addressed in the [recommendations \(chapter VI\) of the interim report](#), which**

## the expert group considers to be crucial and would appreciate your feedback on:

### Develop a classification system for sustainable assets and financial products

Question 2. What do you think such an EU taxonomy for sustainable assets and financial products should include?

1500 characters maximum (spaces included)

FESE supports creating a taxonomy and considers it important to have relevant, high-quality, comparable data available to create this taxonomy. An EU wide taxonomy should cover various types of assets e.g. equities, bonds, indices and ETFs. FESE considers that a taxonomy should be defined by streamlining and enhancing existing international or national frameworks and that creating a new parallel taxonomy should be avoided.

FESE considers that the creation of a taxonomy would favour both comparability and transparency. Normalised labels and standards agreed upon should cater to both easily identifiable and un-partitioned factors. For example, defined classes in the green bonds category cannot apply to specific sets of industries or issuers. In this regard, it will be important to establish a taxonomy that takes into account the entire sustainable development chain i.e. green finance subgroups (climate change mitigation / climate change adaptation / other environmental actions) as well as social, economic and governance factors. We also consider that ratings' standards could be applicable across these subsets since the virtuous character and sustainable benefits of a financial instrument should be comparable.

FESE understands the preference for a taxonomy to capture all "acceptable definitions of sustainability". However, we think that further consideration should be given to how an "acceptable definition" is determined.

### Establish a European standard and label for green bonds and other sustainable assets

Question 3. What considerations should the EU keep in mind when establishing a European standard and label for green bonds and other sustainable assets? How can the EU ensure high-quality standards and labels that avoid misuse/green-washing?

1500 characters maximum (spaces included)

FESE considers that a clearly defined taxonomy, whereby agreement on what constitutes green and/or sustainable assets is found, is a necessary starting point (please also see our answer to Q2). Moreover, FESE considers that ensuring availability of high quality, consistent and comparable data is a prerequisite for the creation of meaningful sustainability standards and labels. Defining standards, labels and classifications would be critical for the market in the sense that it would bring about three pivotal changes: 1) to

encourage more rigorous disclosure/reporting to meet clearly defined expectations; 2) to improve readability and comparability of performance; and 3) to reward high performers and thereby incentivising change.

## Create “Sustainable Infrastructure Europe” to channel finance into sustainable projects

Question 4. What key services do you think an entity like “Sustainable Infrastructure Europe” should provide, more specifically in terms of advisory services and connecting public authorities with private investors?

1500 characters maximum (spaces included)

**The report also touches upon areas for further analysis. The following questions focus on a selection of these, which the group would appreciate your feedback on:**

### Mismatched time horizons and short-termism versus long-term orientation

Question 5. It is frequently stated that the inherent short-termism in finance, especially financial markets, represents a distraction from, or even obstacle to, a long-term orientation in economic decision-making, including investments that are essential for sustainability. Do you agree with this statement?

- Yes
- No
- Don't know / no opinion / not relevant

### Governance of the investment and analyst community

Question 6. What key levers do you think the EU could use to best align the investment and analyst community with long-term sustainability considerations in the real economy?

1500 characters maximum (spaces included)

FESE believes several measures could be taken to incentivise market agents towards longer-term orientation, including:

- Ensuring that accounting standards do not overly incentivise short-term behaviour and accommodate longer-term perspectives which are important in

respect of sustainable financing.

- Reassessing the range of factors needed to incentivise market participants in assessing longer-term risks.

## A strong pipeline of sustainable projects for investment

Question 7. How can the EU best create a strong and visible pipeline of sustainable investment projects ready for investment at scale?

1500 characters maximum (spaces included)

## Integrating sustainability and long-term perspectives into credit ratings

Question 8. What are some of the most effective ways to encourage credit rating agencies to take into consideration ESG factors and/or long-term risk factors?

Please choose 1 option from the list below

- Create a European credit rating agency designed to track long-term sustainability risks
- Require all credit rating agencies to disclose whether and how they consider TCFD-related information in their credit ratings
- Require all credit rating agencies to include ESG factors as part of their rating
- All of the above
- Other

Question 8.1 Please specify what other ways you would deem most effective in encouraging credit rating agencies to take into consideration ESG and/or long-term risk factors.

1500 characters maximum (spaces included)

FESE considers that one possible initiative to explore would be to allow for the emergence of a few strong and recognised specialised credit rating agencies that would be supervised by a European Supervisory Agency. In parallel, all credit rating agencies should be required to share their current practices on TCFD-related information in their credit ratings.

## Role of banks

Question 9. What would be the best way to involve banks more strongly on sustainability, particularly through long-term lending and project finance?

1500 characters maximum (spaces included)

## Role of insurers

Question 10. What would be the best way to involve insurers more strongly on sustainability, particularly through long-term investment?

1500 characters maximum (spaces included)

## Social dimensions

Question 11. What do you think should be the priority when mobilising private capital for social dimensions of sustainable development?

1500 characters maximum (spaces included)

FESE considers that a shift in all economic agents' mind-set is likely the most crucial component of a successful transition to a low-carbon and resource-efficient economy that is geared towards inclusive growth and awareness of long-term risks.

FESE believes initiatives should be directed towards businesses and that more capital should be available to incentivise business creation and accelerate business growth for 'ESG-conscious' firms.

## Other

Question 12. Do you have any comments on the policy recommendations or policy areas mentioned in the Interim Report but not mentioned in this survey?

1500 characters maximum (spaces included)

FESE supports high-quality, comparable, consistent, investor-relevant disclosures by listed issuers. We agree that on many occasions imposing a greater disclosure burden on public issuers is appropriate and justified which is also true for requiring issuers to disclose material ESG risks. However, we would not support imposing disproportionate disclosure obligations on listed issues and we would caution against imposing non-market-related disclosure obligations on listed issuers alone.



Question 13. In your view, is there any other area that the expert group should cover in their work?

1500 characters maximum (spaces included)

FESE would caution against simply adding to existing disclosure requirements and would rather suggest reviewing reporting requirements more broadly to also streamline the information listed issuers are required to report.

### Useful links

[Interim Report on sustainable finance \(http://ec.europa.eu/info/publications/170713-sustainable-finance-report\\_en\)](http://ec.europa.eu/info/publications/170713-sustainable-finance-report_en)  
[High-Level Expert Group on Sustainable Finance \(https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance\\_en#high-level-expert-group-on-sustainable-finance\)](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_en#high-level-expert-group-on-sustainable-finance)

---

### Contact

fisma-sustainable-finance@ec.europa.eu

---