Swiss Sustainable Finance

Swiss Sustainable Finance response to EC consultation on the renewed sustainable finance strategy

1. Introduction and background

On 11 December 2019, the European Commission (EC) adopted its Communication on a European Green Deal, which increases the EU's climate action and environmental policy ambitions.

Efforts will need to be made in order to build this growth strategy, starting with enshrining the climate-neutrality target in law. On 4 March 2020, the EC proposed a European Climate Law to turn the political commitment of climate-neutrality by 2050 into a legal obligation. This follows the European Parliament's declaration of a climate emergency on 28 November 2019 and the European Council conclusions of 12 December 2019, endorsing the objective of achieving a climate-neutral EU by 2050.

Above all, the transition to a sustainable economy will entail significant investment efforts across all sectors. However, the financial system as a whole is not yet transitioning fast enough.

Therefore, the European Green Deal announced a Renewed Sustainable Finance Strategy. The renewed strategy will build on the 10 actions of the EC's initial 2018 Action Plan on Financing Sustainable Growth, which laid down the foundations for channelling private capital towards sustainable investments.

The Renewed Sustainable Finance Strategy will predominantly focus on three areas:

1. Strengthening the foundations for sustainable investment by creating an enabling framework, with appropriate tools and structures. (i.e. shift to more long-term thinking and focus on sustainability-related challenges and opportunities).
2. Increased opportunities to have a positive impact on sustainability for citizens, financial institutions and corporates.
3. Climate and environmental risks will need to be fully managed and integrated into financial institutions and the financial system as a whole, while ensuring social risks are duly taken into account where relevant.

The EC is currently collecting feedback to inform the development of the renewed strategy, and **stakeholders can participate until 15 July 2020**. Hence, SSF has drafted a response to the consultation and will submit it to the commission. We encourage our network to send us any feedback, including any documentation to support your arguments. As the consultation is comprised of 102 separate questions, we have selected the most relevant to provide answers to.

Timeline for feedback

30 June 2020 (COB)	Deadline for SSF members/partners to provide input to SSF secretariat
15 July 2020	SSF delivers feedback to EU

2. SSF selected answers to consultation

As SSF unites around 150 different members and partners, we acknowledge that finding aligned answers to the outlined questions is difficult. We therefore, have selected to offer answers to the more general, open-ended questions which aim to collect ideas from the industry on how to move forward, as well as to those questions where SSF feels it should take a stance. In the table below, we have also indicated the questions that will be left blank within our response. Questions requiring text feedback are limited to 2'000 characters, including spaces and line breaks.

SSF responses are categorized as follows:

- Highlighted in grey - SSF will not provide answers to this section/question
- For multiple choice questions, we indicated the options given and highlight our answer in yellow
- In italics – *SSF free text input*

Question	SSF response
From Section I: Questions addressed to all stakeholders (questions 1-5)	
Question 1: With the increased ambition of the European Green Deal and the urgency with which we need to act to tackle the climate-related and environmental challenges, do you think that:	• major additional policy actions are needed to accelerate the systematic sustainability transition of the EU financial sector. • incremental additional actions may be needed in targeted areas, but existing actions implemented under the Action Plan on Financing Sustainable Growth are largely sufficient. • no further policy action is needed for the time being. • Don't know / no opinion / not relevant
Question 2. Do you know with sufficient confidence if some of your pension, life insurance premium or any other personal savings are invested in sustainable financial assets?	SSF will not provide answers to this section/question
Question 3. When looking for investment opportunities, would you like to be systematically offered sustainable investment products as a default option by your financial adviser, provided the product suits your other needs?	SSF will not provide answers to this section/question
Question 4. Would you consider it useful if corporates and financial institutions were required to communicate if and explain how their business strategies and targets contribute to reaching the goals of the Paris Agreement?	SSF will not provide answers to this section/question

Question	SSF response
Question 5. One of the objectives of the European Commission's 2018 Action Plan on Financing Sustainable Growth is to encourage investors to finance sustainable activities and projects. Do you believe the EU should also take further action to: 1(strongly disagree) 2(disagree) 3(neutral) 4(agree) 5(strongly agree) Don't know/ No opinion	1 - Encourage investors to engage, including making use of their voting rights, with companies conducting environmentally harmful activities that are not in line with environmental objectives and the EU-wide trajectory for greenhouse gas emission reductions, as part of the European Climate Law, with a view to encouraging these companies to adopt more sustainable business models SSF Answer: 4 (agree) 2 - Discourage investors from financing environmentally harmful activities that are not in line with environmental objectives and the EU-wide trajectory for greenhouse gas emission reductions, as part of the European Climate Law SSF Answer: 4 (agree)
From Section II: Questions targeted at experts	
Question 6: What do you see as the three main challenges and three main opportunities for mainstreaming sustainability in the financial sector over the coming 10 years? Free text – max 2'000 characters	*Challenges: We feel 3 of the main challenges for sustainability in the financial sector are:* • *externalities are not yet priced into the various products on the market and therefore also not into the financial products* • *reliable and comparable sustainability data is not yet widely available* • *sustainable finance is not yet widely integrated into the curricula of education and training programs* *Opportunities: We feel 3 of the main opportunities for the financial sector are:* • *the chance to accelerate change in the real economy* • *chance to make better long-term financial decisions* • *integrating robust considerations of sustainability will lead to more trust in financial products and the financial industry in general*
Question 7: Overall, can you identify specific obstacles in current EU policies and regulations that hinder the development of sustainable finance and the integration and management of climate, environmental and social risks into financial decision-making?	*Selected Obstacles mentioned by our network:* • *Uncertainty: It is unclear what effect the EU-Taxonomy and the Disclosure Regulation will have in practice once they enter into force (i.e. what % of economic activities will qualify as sustainable according to the Taxonomy and therefore be investible?).* • *Large number of overlapping requirements with regards to reporting and disclosure (EU Taxonomy, NFRD, EU Disclosure Regulation etc.). A mandatory and harmonized reporting standard (as envisaged under the revised NFRD) would be helpful.*

Question	SSF response
	• *Lack of comparable and quality ESG disclosure from non-financial corporates, on which financial institutions rely to be able to meet their own reporting requirements.* • *The application date of the Disclosure Regulation is very early. There is limited time to develop the corresponding Delegated acts so that financial market participants and financial advisers have enough time to prepare for their application in practice.* • *The technical screening criteria (as suggested in the TEG-report) regarding the second environmental objective of the Taxonomy-Regulation ("climate change adaptation") seem difficult and complex to apply in practice.* • *A clear and precise definition of climate, environmental and social risks still needs to be developed at European level. Furthermore, a clear guidance on how such risks should be measured still needs to be elaborated.* • *Solvency and income considerations still must be safeguarded. It is unclear how this can be prioritised compared to ESG issues.* • *Given the importance and the surge in interest by investors and other interested parties in ESG risks, we expect considerable and fast progress and innovation in leveraging artificial intelligence and geospatial technologies for these purposes. The EU regulation builds on traditional concepts such as company-level ESG ratings that may be of limited value for risk assessment. It is therefore important to allow for new and possibly game-changing solutions.*
Question 8: The transition towards a climate neutral economy might have socio-economic impacts, arising either from economic restructuring related to industrial decarbonisation, because of increased climate change-related effects, or a combination thereof. For instance, persons in vulnerable situations or at risk of social exclusion and in need of access to essential services including water, sanitation, energy or transport, may be particularly affected, as well as workers in sectors that are particularly affected by the decarbonisation agenda. How could the EU ensure that the financial tools developed to increase sustainable investment flows and manage climate and environmental risks have, to the extent possible, no or limited negative socio-economic impacts?	SSF will not provide answers to this section/question

Question	SSF response
Question 9: As a corporate or a financial institution, how important is it for you that policy-makers create a predictable and well-communicated policy framework that provides a clear EU-wide trajectory on greenhouse gas emission reductions, based on the climate objectives set out in the European Green Deal, including policy signals on the appropriate pace of phasing out certain assets that are likely to be stranded in the future?	1 - Not important at all 2 - Rather not important 3 - Neutral 4 - Rather important 5 – VERY IMPORTANT **What are, in your view, the mechanisms necessary to be put in place by policy-makers to best give the right signals to you as a corporate or a financial institution?** *Such a policy framework should be transparent, appropriate to the size and business model of the financial institution, focused on realistic climate targets and take into account the possible detriments which might occur in the transition period (in the form of increasing transitional risks). It is highly important to establish science-based, sector-specific transition pathways to further guide sustainable investments by measuring the journey towards green. Some of these emission-reduction pathways are already set out in the EU Taxonomy, but this could be further developed.* *In addition to the regulatory framework, the measures to be taken by companies to achieve these objectives should be provided, offering a wide range of options, for example, depending on the size and possibilities of each organisation. In relation to the mechanisms that should be put in place, in the case of a financial institution, there could be certain benefits of achieving a sustainable and well-managed portfolio in relation to climate risks and balanced by considering green assets.* *Finally, due to the extenuating circumstances, important actions to address economic activities due to COVID-19 have already been taken and will likely continue in the short to mid-term. The EU should be consistent in these actions and align them with the Action Plan.*
Question 10: Should institutional investors and credit institutions be required to estimate and disclose which temperature scenario their portfolios are financing (e.g. 2°C, 3°C, 4°C), in comparison with the goals of the Paris Agreement, and on the basis of a common EU-wide methodology?	YES, BOTH (institutional investors and credit institutions)

Question	SSF response
Question 11: Corporates, investors, and financial institutions are becoming increasingly aware of the correlation between biodiversity loss and climate change and the negative impacts of biodiversity loss in particular on corporates who are dependent on ecosystem services, such as in sectors like agriculture, extractives, fisheries, forestry and construction. The importance of biodiversity and ecosystem services is already acknowledged in the EU Taxonomy. However, in light of the growing negative impact of biodiversity loss on companies' profitability and long-term prospects (see for instance The Nature of Risk - A Framework for Understanding Nature-Related Risk to Business, WWF, 2019), as well as its strong connection with climate change, do you think the EU's sustainable finance agenda should better reflect growing importance of biodiversity loss?	YES NO DON'T KNOW / NO OPINION / NOT RELEVANT
Question 12: In your opinion, how can the Commission best ensure that the sustainable finance agenda is appropriately governed over the long term at the EU level in order to cover the private and public funding side, measure financial flows towards sustainable investments and gauge the EU's progress towards its commitments under the European Green Deal and Green Deal Investment Plan?	SSF will not provide answers to this section/question
Question 13: In your opinion, which, if any, further actions would you like to see at international, EU, or Member State level to enable the financing of the sustainability transition? Please identify actions aside from the areas for future work identified in the targeted questions below (remainder of Section II), as well as the existing actions implemented as part of the European Commission's 2018 Action Plan on Financing Sustainable Growth.	SSF will not provide answers to this section/question

Question	SSF response
From Section II: 1.1: Company reporting and transparency	
Question 14: In your opinion, should the EU take action to support the development of a common, publicly accessible, free-of-cost environmental data space for companies' ESG information, including data reported under the NFRD and other relevant ESG data?	YES **If YES, please explain.** • *Comparable and accessible data is a prerequisite for financial players to take ESG factors into account in their business decisions.* • *This database should not be limited to environmental factors, but should be built in a way to allow expansion into Social and Governance factors.* • *The initiative may need to consider different company's and sector's needs in terms of when and where it is relevant to publish the information, depending on their internal processes and the different users of the information;* • *overall there should be a balance between comparability of information, where appropriate and feasible, and consideration of the complexity of providing it ,* • *The data in the register should reflect the regulatory requirements as defined under the SFDR JC CP Indicators Reporting Templates*
Question 15: According to your own understanding and assessment, does your company currently carry out economic activities that could substantially contribute to the environmental objectives defined in the Taxonomy Regulation	SSF will not provide answers to this question
From Section II: 1.2: Accounting standards and rules	SSF will not provide answers to this section
From Section II: 1.3: Sustainability research and ratings	
Question 17: Do you have concerns on the level of concentration in the market for ESG ratings and data? If necessary, please explain your answer to question 17	1 - Not concerned at all 2 - Rather not concerned 3 - Neutral 4 - Rather concerned 5 - Very concerned Don't know / no opinion / not relevant *We see a continuous consolidation of ESG data providers. However there is still quite some diversity in ratings and data providers.*

Question	SSF response
Question 18: How would you rate the comparability, quality and reliability of ESG **data** from sustainability providers currently available in the market? If necessary, please explain.	1 - Very poor 2 - Poor 3 – Neutral 4 - Good 5 - Very good Don’t know / no opinion / not relevant *We feel that quality is overall good. Comparability is lacking due to the various different methodologies with different objectives.*
Question 19: How would you rate the quality and relevance of ESG **research material** currently available in the market? If necessary, please explain.	1 - Very poor 2 - Poor 3 - Neutral 4 - Good 5 - Very good Don’t know / no opinion / not relevant
Question 20. How would you assess the quality and relevance of ESG ratings for your investment decisions, both ratings of individual Environmental, Social or Governance factors and aggregated ones?	SSF will not provide answers to this question
Question 21. In your opinion, should the EU take action in any of these areas?	YES *We feel the EU, with its current initiatives, is already in a way helping to provide clear frameworks for underlying data that provides comparability of company data. This in turn sets the groundwork for ESG research providers.*
From Section II: 1.4: Definitions, standards and labels for sustainable financial assets and financial products	
Question 22. The TEG has recommended that verifiers of EU Green Bonds (green bonds using the EU GBS) should be subject to an accreditation or authorisation and supervision regime. Do you agree that verifiers of EU Green Bonds should be subject to some form of accreditation or authorisation and supervision? If necessary, please explain.	**Yes, at European level** **Yes, at a national level** **No** **Don’t know / no opinion / not relevant**

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Question	SSF response
Question 23. Should any action the Commission takes on verifiers of EU Green Bonds be linked to any potential future action to regulate the market for third-party service providers on sustainability data, ratings and research? If necessary, please explain.	SSF will not provide answers to this section/question
Question 24. The EU GBS as recommended by the TEG is intended for any type of issuer: listed or non-listed, public or private, European or international. Do you envisage any issues for non-European issuers to follow the proposed standard by the TEG? If necessary, please explain.	**Yes** **No** **Don't know / no opinion / not relevant**
Question 25. In those cases where a prospectus has to be published, do you believe that requiring the disclosure of specific information on green bonds in the prospectus, which is a single binding document, would improve the consistency and comparability of information for such instruments and help fight greenwashing? If necessary, please explain.	**1 - Strongly disagree** **2 - Disagree** **3 - Neutral** **4 - Agree** **5 - Strongly agree** **Don't know / no opinion / not relevant**
Question 26. In those cases where a prospectus has to be published, to what extent do you agree with the following statement: "Issuers that adopt the EU GBS should include a link to that standard in the prospectus instead of being subject to specific disclosure requirements on green bonds in the prospectus"? If necessary, please explain.	**1 - Strongly disagree** **2 - Disagree** **3 - Neutral** **4 - Agree** **5 - Strongly agree** **Don't know / no opinion / not relevant** *We interpret the question in such a way that a simple reference to a standard in the prospectus absolves the issuer from other specific disclosures. We disagree with this and feel issuers should be subject to specific disclosures on green bonds.*
Question 27. Do you currently market financial products that promote environmental characteristics or have environmental objectives?	SSF will not provide answers to this question.

Question	SSF response
Question 28. In its final report, the High-Level Expert Group on Sustainable Finance recommended to establish a minimum standard for sustainably denominated investment funds (commonly referred to as ESG or SRI funds, despite having diverse methodologies), aimed at retail investors. What actions would you consider necessary to standardise investment funds that have broader sustainability denominations?	**No regulatory intervention is needed** **The Commission or the ESAs should issue guidance on minimum standards** **Regulatory intervention is needed to enshrine minimum standards in law** **Regulatory intervention is needed to create a label** **Don't know / no opinion / not relevant**
Question 29. Should the EU establish a label for investment funds (e.g. ESG funds or green funds aimed at professional investors)? If necessary, please explain.	**Yes** **No** **Don't know / no opinion / not relevant** *We feel that this is important for Retail clients, as they have to be protected. However, professional, institutional clients do not need this same level of protection.*
Question 30. The market has recently seen the development of sustainability-linked bonds and loans, whose interest rates or returns are dependent on the company meeting pre-determined sustainability targets. This approach is different from regular green bonds, which have a green use-of-proceeds approach. Should the EU develop standards for these types of sustainability-linked bonds or loans? If necessary, please explain.	**1 - Strongly disagree** **2 - Disagree** **3 - Neutral** **4 - Agree** **5 - Strongly agree** **Don't know / no opinion / not relevant**
Question 31: Should such a potential standard for target-setting sustainability-linked bonds make use of the EU Taxonomy as one of the key performance indicators? If necessary, please explain.	**1 - Strongly disagree** **2 - Disagree** **3 - Neutral** **4 - Agree** **5 - Strongly agree** **Don't know / no opinion / not relevant**

Question	SSF response
Question 32. Several initiatives are currently ongoing in relation to energy-efficient mortgages (see for instance the work of the EEFIG (Energy Efficiency Financial Institutions Group set by the EC and the United Nations Environment Program Finance Initiative or UNEP FI) on the financial performance of energy efficiency loans or the energy efficient mortgages initiatives) and green loans more broadly. Should the EU develop standards or labels for these types of products?	SSF will not provide answers to this section/question
Question 33. The Climate Benchmarks Regulation creates two types of EU climate benchmarks - 'EU Climate Transition' and 'EU Paris-aligned' - aimed at investors with climate-conscious investment strategies. The regulation also requires the Commission to assess the feasibility of a broader 'ESG benchmark'. Should the EU take action to create an ESG benchmark?	**Yes** **No** **Don't know / no opinion / not relevant**
Question 34. Beyond the possible standards and labels mentioned above (for bonds, retail investment products, investment funds for professional investors, loans and mortgages, benchmarks), do you see the need for any other kinds of standards or labels for sustainable finance?	Yes No Don't know / no opinion/ not relevant **If yes, what should they cover thematically and for what types of financial products?** *The definition of a green savings or deposit account in relation with the credit provided to green projects or companies engaged in green economic activities. The Commission should further investigate the feasibility and practicality of this proposal in order to avoid the creation of a framework that could not work for all the financial market participants.*
From Section II: 1.5: Capital markets infrastructure: Questions 35 – 37	SSF will not provide answers to this section
From Section II: 1.6: Corporate governance, long-termism and investor engagement: Questions 38 – 48	SSF will not provide answers to this section

Question	SSF response
From Section II: 2.1: Mobilising retail investors and citizens	
Question 49. In order to ensure that retail investors are asked about their sustainability preferences in a simple, adequate and sufficiently granular way, would detailed guidance for financial advisers be useful when they ask questions to retail investors seeking financial advice? If necessary, please explain.	Yes No Don't know / no opinion / not relevant *We see merit in such detailed guidance being developed in consultation with financial services providers to ensure that such guidance is on the one hand sufficiently flexible and on the other hand reduces costs for the industry by ensuring everyone works towards answering the same questions.*
Question 50 : Do you think that retail investors should be systematically offered sustainable investment products as one of the default options, when the provider has them available, at a comparable cost and if those products meet the suitability test?	Yes No Don't know / no opinion / not relevant
Question 51. Should the EU support the development of more structured actions in the area of financial literacy and sustainability, in order to raise awareness and knowledge of sustainable finance among citizens and finance professionals?	1 - Strongly disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly agree Don't know / no opinion / not relevant If you agree, which actions should be prioritised? • Integrate sustainable finance literacy in the training requirements of finance professionals. • Stimulate cooperation between Member States to integrate sustainable finance as part of existing subjects in citizens' education at school, possibly in the context of a wider effort to raise awareness about climate action and sustainability.[1-5] • Beyond school education, stimulate cooperation between Member States to ensure that there are sufficient initiatives to educate citizens to reduce their environmental footprint also through their investment decisions. • Directly, through targeted campaigns. • As part of a wider effort to raise the financial literacy of EU citizens.

Question	SSF response
	• As part of a wider effort to raise the knowledge citizens have of their rights as consumers, investors, and active members of their communities. • Promote the inclusion of sustainability and sustainable finance in the curricula of students, in particular future finance professionals. • Other
From Section II: 2.2: Better understanding the impact of sustainable finance on sustainability factors	
Question 52. In your view, is it important to better measure the impact of financial products on sustainability factors? What actions should the EU take in your view?	1 - Not important at all 2 - Rather not important 3 - Neutral 4 - Rather important 5 - Very important Don't know / no opinion / not relevant *The EU should open a dialogue with already existing initiatives and academics.*
Question 53: Do you think that all financial products / instruments (e.g. shares, bonds, ETFs, money market funds) have the same ability to allocate capital to sustainable projects and activities?	Yes No Don't know / no opinion / not relevant *It is our opinion that not all financial products have the same ability to allocate capital to sustainable projects. We feel this is especially true when you compare products that aim to allocate capital to private markets vs. those aiming at allocating capital to public markets.*
From Section II: 2.3: Green securitization: questions 54 - 56 SSF will not provide answers to this section	
From Section II: 2.4: Digital sustainable finance: questions 57 – 59	
Question 57. Do you think EU policy action is needed to help maximise the potential of digital tools for integrating sustainability into the financial sector?	Yes No Don't know / no opinion / not relevant

Question	SSF response
Question 58. Do you consider that public authorities, including the EU and Member States should support the development of digital finance solutions that can help consumers and retail investors to better channel their money to finance the transition? If YES, please explain:	Yes No Don’t know / no opinion / not relevant *We think this can be done through the creation of networking platforms for sustainable digital finance communities to emerge. Additionally, authorities could promote innovation through research grants and award programs.*
From Section II: 2.5: Project Pipeline: questions 60 – 65 SSF will not provide answers to this section	
From Section II: 2.6: Incentives to scale up sustainable investments: questions 66 – 69 SSF will not provide answers to this section	
From Section II: 2.7: The use of sustainable finance tools and frameworks by public authorities: questions 70 – 73 SSF will not provide answers to this section	
From Section II: 2.8: Promoting intro-EU cross-border sustainable investments: question 74 SSF will not provide answers to this section	
From Section II: 2.9: EU Investment Protection Framework: question 75 SSF will not provide answers to this section	
From Section II: 2.10: Promoting sustainable finance globally	
Question 76. Do you think the current level of global coordination between public actors for sustainable finance is sufficient to promote sustainable finance globally as well as to ensure coherent frameworks and action to deliver on the Paris Agreement and/or the UN Sustainable Development Goals (SDGs)? What are the main missing factors?	1 - Highly insufficient 2 - Rather insufficient 3 - Neutral 4 - Rather sufficient 5 - Fully sufficient Don’t know / no opinion / not relevant

Question	SSF response
Question 77. What can the Commission do to facilitate global coordination of the private sector (financial and non-financial) in order to deliver on the goals of the Paris Agreement and/or SDGs?	*We feel the private sector already has ample initiatives to coordinate on this topic (e.g. UNEP FI, PRI, PRB, CFA…). The Commission should also continue strongly fostering the engagement in the International Platform on Sustainable Finance (IPSF) and thereby promote the establishment of an internationally coordinated, globally applicable Taxonomy (defining under which conditions economic activities are sustainable).*
Question 78. In your view, what are the main barriers private investors face when financing sustainable projects and activities in emerging markets and developing economies?	• Lack of internationally comparable sustainable finance frameworks (standards, taxonomies, disclosure, etc.) • Lack of clearly identifiable sustainable projects on the ground • Excessive (perceived or real) investment risk • Difficulties to measure sustainable project achievements over time • Other
Question 79. In your opinion, in the context of European international cooperation and development policy, how can the EU best support the mobilisation of international and domestic private investors to finance sustainable projects and activities in emerging markets and developing countries, whilst avoiding market distortions? Please provide a maximum of 3 proposals:	*The EU can best achieve this by promoting commonly used Blended Finance Instruments (i.e. Technical Assistance, De-Risking, Guarantees etc.). Additionally, they can support setting clear SDG goals for multilateral development banks in order to model appropriate strategies that can be adopted by other industry players.*
Question 80. How can EU sustainable finance tools (e.g. taxonomy, benchmarks, disclosure requirements) be used to help scale up the financing of sustainable projects and activities in emerging markets and/or developing economies? Which tools are best-suited to help increase financial flows towards and within these countries and what challenges can you identify when implementing them? If necessary, please explain.	SSF will not provide answers to this section/question
Question 81. In particular, do you think that the EU Taxonomy is suitable for use by development banks, when crowding in private finance, either through guarantees or blended finance for sustainable projects and activities in emerging markets and/or developing economies? If NO, please explain:	Yes Yes, but only partially No Don't know / no opinion / not relevant *We fear the EU Taxonomy might be too granular and complex to be applied in the EM investment context.*

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Question	SSF response
From Section II: 3.1: Identifying exposures to harmful activities and assets and disincentivising environmentally harmful investments	
Question 82. In particular, do you think that existing actions need to be complemented by the development of a taxonomy for economic activities that are most exposed to the transition due to their current negative environmental impacts (the so-called "brown taxonomy") at EU level, in line with the review clause of the political agreement on the Taxonomy Regulation?	Yes No Don't know / no opinion / not relevant If yes, what would be the purpose of such a brown taxonomy? • Help supervisors to identify and manage climate and environmental risks • Create new prudential tools, such as for exposures to carbon-intensive industries • Make it easier for investors and financial institutions to voluntarily lower their exposure to these activities • Identify and stop environmentally harmful subsidies • Other
Question 83: Beyond a sustainable and a brown taxonomy, do you see the need for a taxonomy which would cover all other economic activities that lie in between the two ends of the spectrum, and which may have a more limited negative or positive impact, in line with the review clause of the political agreement on the Taxonomy Regulation?	Yes No Don't know / no opinion / not relevant
From Section II: 3.2: Financial stability risk: questions 84 – 94	SSF will not provide answers to this section
From Section II: 3.3: Credit rating agencies: questions 95 – 97	SSF will not provide answers to this section
From Section II: 3.4: Natural capital accounting or "environmental footprint": question 98	SSF will not provide answers to this section
From Section II: 3.5: Improving resilience to adverse climate and environmental impacts: questions 99 – 102	SSF will not provide answers to this section

3. Further information

Links to important documents

Documents linked to the consultation can be found at: https://ec.europa.eu/info/consultations/finance-2020-sustainable-finance-strategy_en

Consultation document: Renewed sustainable finance strategy:
https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/2020-sustainable-finance-strategy-consultation-document_en.pdf

Zurich, 9 July 2020