

# EU Ecolabel for Financial Products: 1st Stakeholder Questionnaire on the product scope and criteria definition

## Background to the questionnaire

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This questionnaire is designed to inform the development of EU Ecolabel criteria for financial products addressed to retail investors. The EU Ecolabel criteria will define the minimum environmental performance of this product group and will be based on the requirements of the EU Ecolabel Regulation 66/2010 with the objective of awarding the label to financial products with the best environmental performance. It is also possible within the frame of the Regulation to include social criteria within the EU Ecolabel.

The development of EU Ecolabel criteria for financial products is based on the European Commission's recently adopted Sustainable Finance Action Plan. The EU Ecolabel criteria for financial products are expected to contribute to the attainment of the Action Plan by encouraging investments in sustainable economic activities. The objectives of this questionnaire are to:

- Obtain your views on what should be considered within the scope of the new EU Ecolabel criteria for financial products;
- Learn from your experience with the existing labelling schemes for financial products; and
- Evaluate what you consider as priorities for the development of EU Ecolabel criteria for financial products.

The findings from this questionnaire will be used by the European Commission's Joint Research Centre (JRC) as part of its initial background research to inform the development of first draft proposals for the scope, investment strategies and economic activities, to be complemented by findings relating to the market for these products and related user behaviour. These proposals and findings are an intermediate step in the EU Ecolabel criteria development process and will form the basis for the 1st stakeholder meeting in April 2019. Following this meeting the JRC will work towards the development of detailed criteria proposal which will then be presented and discussed at the 2nd stakeholder meeting, which is anticipated for autumn 2019.

In order to follow the criteria development process, stakeholders must register as formal consultees. You may do this by going to the following page on the project website: [http://susproc.jrc.ec.europa.eu/Financial\\_products/index.html](http://susproc.jrc.ec.europa.eu/Financial_products/index.html)

## Completing the questionnaire

Within this questionnaire several areas related to the financial products are addressed - product scope definition, the definition of green portfolios, types of green portfolio strategies, assessment and verification.

We recommend that you first complete the 'company or organisation details' section and then read through the whole questionnaire before filling it in. You will need to set aside up to 40 minutes to complete it. You may save versions of the questionnaire as you complete it.

Once you have started completing the questionnaire you can save and return to your response at any time before formally submitting it. If you save your draft response, EU Survey will provide you with a unique web address that you will need to go back to it. This will be your unique link to your draft response, so please keep it safe.

The closing date for completion of the questionnaire is **midnight CET on Friday 25th January 2019**.

All responses will be treated confidentially and will only be used as background information to this study. All reference to results from the questionnaire in the study will be anonymised.

Should you have any technical queries relating to your use of EU Survey please email the JRC at [JRC-B5-FINANCIAL-PRODUCTS@ec.europa.eu](mailto:JRC-B5-FINANCIAL-PRODUCTS@ec.europa.eu).

Please feel free to forward this questionnaire to any person or organisation that may be interested in participating in the development of the EU Ecolabel criteria set.

## 1. Company or Organisation Details

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Respondent details (personal data will be treated as confidential) and experience with environmental criteria.

*Fields marked with\* are mandatory*

### **Q1.1 Name (as submitted in the registration)\***

Nina Lazic

### **Q1.2 Email address\***

nina.lazic@finance-watch.org

### **Q1.3 Name of your organization\***

Finance Watch

**Q1.4 Which of the following options best represents the type of organization you represent (please select only one)\*?**

- Public financial Institutions e.g. Public Banks
- Non-governmental organization (NGO)
- Private financial entity
- Trade associations and professional bodies
- Policy maker at a Member State level or representing the European Union
- Market surveillance authority
- Environmental labelling scheme
- Consultant and/or research institution
- Other (please describe below)

If you chose other, please provide an explanation below

**Q1.5 Where are you based and/or where you carry out your activity?**

Brussels (Belgium)

**Q1.6 Are you already registered as a stakeholder to follow the criteria development process of the EU Ecolabel for financial products?**

- Yes
- No

If you answered no, you can register at any time to take part in the process by going to the JRC website [here](#).

## **2. Familiarity and experience with existing labelling schemes and initiatives**

This section is intended to gain some insights into the respondents' familiarity with sustainability labelling initiatives for financial products.

**Q2.1 Is your organisation currently involved in, or has it been involved in, any green/ sustainability labelling schemes for financial products or instruments?**

- Yes
- No

If yes, please indicate in what capacity

- Verifier
- Label scheme owner
- Product manufacturer/retailer
- Asset/investment portfolio manager
- Distributor
- Investor
- Other (please describe below)

If you chose other, please specify below

**Q2.2. If you responded yes to 2.1 please indicate which type(s) of labelling schemes**

Multiple answers are possible

- National
- Private e.g. CBI
- Financial Sector schemes e.g. Rabobank, Tridos etc
- Multilateral schemes ( e.g., EIB, IFC, WB, GCF – EBRD)
- Other (please describe below)

If you chose other, please specify below

In the next questions we are specifically interested in to what extent retail financial products are covered by existing labelling schemes and initiatives.

**Q2.3 If you responded yes to 2.1 or 2.2, please state what kind of retail financial products are covered within the scope\***

Multiple answers are possible

- Investment Funds
- Life insurance policies with an investment element
- Structured Products
- Structured Deposits
- Bonds
- Pension products
- Savings schemes/accounts
- Other (please specify below)

If you chose other, please specify below

*Please indicate, if appropriate, whether financial products addressed to professional investors are also covered within the scope.*

**Q2.4 Does your organisation manufacture or distribute any financial products having a green certification or label?**

- Yes

- No
- Not applicable

If yes, please list the products covered\*

**Q2.5 If you responded yes to 2.4, was/is your choice of scheme/labelling initiative based on any of the options below?**

Multiple answers are possible\*

- Cost
- Product portfolio
- Investors' demand
- Suitable ambition level
- Ease of verification
- Compatibility with internal systems
- Other (please specify below)

If you chose other, please specify below

**Q2.6 Can you provide information about any best practices used by existing Ecolabelling schemes to raise awareness and inform retail investors about products with Eco-labels?**

*If yes, please provide more information and examples.*

### **3. Product Group Definitions and Scope of Financial Products Information**

The scope of this product group is proposed by the Commission to initially encompass the financial products covered by the PRIIPs ('packaged retail and insurance-based investment products') Regulation (EU) No 1286/2014 and other financial products addressed to retail investors, which can be considered as services for distribution or use.

Financial products classified as PRIIPs according to the regulation include, investment products such as investment funds, life insurance policies with an investment element, structured products and structured deposits. In addition to these, any other retail financial product or financial instruments that satisfy the definition provided by the regulation are also within its scope.

In order to maintain a level playing field among different financial products on the market, this scope may be broadened to other retail financial products. While the final scope of the EU Ecolabel criteria can

be broad, it still needs to be explored which retail financial products will figure in the first product group(s) for which the labelling criteria will be developed. Other products could then be considered for later addition once the criteria have been adopted.

*In this section we welcome your views on what would be an appropriate scope for the first product group for the EU Ecolabel criteria.*

### **Initial proposed scope of financial products**

The EU Ecolabel criteria are aimed to correspond to the "best 10-20% of financial products available on the Community market" within a certain product group and a preliminary market analysis has identified investment funds, in particular listed funds classified as Undertakings for the Collective Investment of Transferable Securities (UCITS), as potentially the first set of financial products that should be covered by the EU Ecolabel criteria.

### **Q3.1 Based on your understanding of the current state of the financial market would you agree that UCITS should be included in the first product group(s)?**

- Yes
- No
- No opinion

### **Q3.2 More broadly, which retail financial products should be included in the EU Ecolabel first?**

- Investment funds addressed to retail clients
- Life insurance policies with an investment element
- Structured Products
- Structured Deposits
- Bonds
- Pension products
- Savings schemes/accounts
- Others (please specify)

If you chose other, please specify below

### **Q3.3 Other than market share, what factors should be taken into account in defining the initial scope of products?**

- Interchangeability or competition between financial products
- Potential for the product to deliver environmental benefits
- Level of engagement of consumer
- Objective to mainstream sustainable finance
- Other (please specify)

If you chose other, please specify below

## 4. Strategies and Green Definitions

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An EU Ecolabel focusing on requirements relating to environmental issues, but also taking into account social and governance issues, could ensure that issuers consider these factors in a uniform manner in their investment decision process and minimise the risks of greenwashing for clients. In order to achieve this a range of different strategies and definitions can be adopted.

In this section, we would like to gather your views on the types of strategies and definitions of green portfolios that could be reflected in the EU Ecolabel criteria.

Initial evidence suggests that fund managers adopt a range of strategies in order to make their portfolio more attractive to customers seeking green or sustainable products.

Fund managers may take a positive approach to the identification of green sectors or economic activities, possibly with reference to screening criteria or a taxonomy.

Available information indicates that an increasing proportion of assets are currently managed using Environmental Social and Governance (ESG) strategies. ESG strategies include but are not limited to community investing, sustainability-themed investing, corporate engagement, and exclusionary screening. This is also reflected in the criteria of existing schemes and labels.

### **Investment strategies**

Initial evidence suggests that fund managers adopt a range of strategies in order to make their portfolio more attractive to customers seeking green or sustainable products.

Fund managers may take a positive approach to the identification of green sectors or economic activities, possibly with reference to screening criteria or a taxonomy.

Available information indicates that an increasing proportion of assets are currently managed using Environmental Social and Governance (ESG) strategies. These introduce additional ethical considerations into investment decisions, including the social impact of investments and the principles on which an organisation is operated and governed.

ESG strategies include but are not limited to community investing, sustainability-themed investing, corporate engagement, and exclusionary screening. This is also reflected in the criteria of existing schemes and labels.

#### **Q4.1 What type(s) of strategies should be reflected in the EU Ecolabel criteria?**

	Not at all	Limited extent	Moderate extent	Great extent	Very great extent	Not relevant
Exclusionary (negative) screening	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Norms based screening	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Best in class (positive)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Thematic approaches (e.g., climate change mitigation, circular economy, social services, improving sustainability, etc)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
ESG integration	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate engagement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Impact investing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you chose other, please specify below

**Q4.2 To what extent do you consider that the EU Ecolabel should have criteria that address social issues?**

- A wide –range of social criteria should be included so that there is a proper balance between environmental and social sustainability in line with best market practice of integrating ESG and with the Paris agreement on a just transition
- Only key social factors should be included to ensure that social objectives are not jeopardised while the focus should be on environmental issues
- Social issues should not be addressed at this stage in this first set of criteria development. They could be considered later on.
- Social issues should not be addressed in the Ecolabel because environmental issues are the most important to address
- Other (please specify)

Please add any additional comments to support your view

**Q4.3 In relation to Question 4.2, which of the following social aspects do you consider relevant for the EU Ecolabel for financial products?**

- Human rights
- Labour rights
- Gender equality and diversity
- Respect for the rights of communities
- Non-Discrimination Policy
- CEO -pay ratio
- Human capital management and skills development
- Health and safety
- Other (please specify)



If you chose other, please specify below

Our initial research suggests that a number of existing labelling schemes and initiatives incorporate criteria on corporate ethics and governance.

**Q4.4 To what extent do you consider that the EU Ecolabel should have criteria that address how ethical are corporate activities and governance structures?**

- A wide –range of governance issues should be included so that there is a proper balance between environmental and social sustainability in line with best market practice of integrating ESG and with the Paris agreement on a just transition
- Only key governance issues/factors should be included to ensure that governance objectives are not jeopardised while the focus should be on environmental issues
- Governance issues should not be addressed at this stage in this first set of criteria development. They could be considered later on.
- Governance issues should not be addressed in the Ecolabel because environmental issues are the most important to address
- Other (please specify)

Please add any additional comments to support your view

While we believe that governance issues should be considered, we also think that the good governance should be the common practice.

Moreover, it is also reasonable to believe that only companies with strong governance based on high ethical values will be engaged in activities which fare environmentally sustainable.

**Q4.5 In relation to Question 4.4, which of the following governance aspects do you consider should be relevant for the EU Ecolabel for financial products?**

- Transparency
- Anti-corruption
- Board diversity
- Board –separation of powers
- Sustainability report
- Management quality
- CEO - pay
- Director-employee pay ratio
- Dialogue with stakeholders
- Risk management including due diligence
- Task evasion
- Others (please specify)

If you chose other, please specify below

**Criteria points systems**

To be deemed "compliant" for the award of the EU Ecolabel for this product group, financial products could be required to attain a certain minimum number of points based on different aspects of the investment strategy (e.g., social, environmental, governance) of a product to be awarded the label.

Various assessment systems exist. Some labels evaluate conformity of products using a pass or fail criteria linked to a specific issue. If the product does not meet the criteria, it fails. If it does, it passes. A point system is used to evaluate compliance and may incorporate totals / percentages / averages or other types of calculations. Existing EU Ecolabel criteria for services adopt a number of mandatory criteria and a portion of optional criteria out of which a minimum number of points need to be obtained to qualify.

**Q4.6 Given the range of possible investments in a portfolio and the different combinations of criteria, it might be beneficial to examine a point system for the Ecolabel. To what extent would this be appropriate for this product group?**

- Not sure
- Not appropriate
- Moderately appropriate
- Highly appropriate

**Q4.7 If there were to be a points system, what weighting would you attribute to each of the following possible components that contribute to the total score for a financial product?**

	Not sure	Low weight	Moderate weight	High weight
Green activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Excluded activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social screening criteria	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Governance screening criteria	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reporting and third party verification	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Others (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you chose other, please specify below

**Q4.8 What would you see as mandatory or minimum requirements within such a point system?**

## 5. Sustainable Investment and Economic Activities

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An EU-wide classification system (Taxonomy) is being developed, which will provide businesses and investors with a common language to identify in a first step economic activities that can be considered environmentally sustainable. In later steps it is planned to address social and ethical aspects.

The first delegated act under the Taxonomy will focus on climate change mitigation and adaptation activities and some environmental activities. It will define technical screening criteria relating to making a 'substantial contribution' to mitigation or adaptation and containing requirements that activities should 'do no significant harm' to other environmental objectives, i.e:

- sustainable use and protection of water and marine resources  
transition to a circular economy, waste prevention and recycling pollution prevention and control protection of healthy ecosystems

The taxonomy will facilitate the assessment of whether investments are green on the basis of their contribution to environmental objectives, but it will not attempt to define the degree of 'greenness'. In addition, the taxonomy will only define 'green' economic activities, not 'brown' ones.

### Exclusions

An exclusion requirement implies that the Ecolabel could not be granted to financial products that are linked to certain economic activities. Such activities could be excluded based on their 'brown' nature (e.g., fossil fuel exploration) or owing to other considerations related to social and governance aspects.

A non-exhaustive review of the existing labelling schemes and initiatives in Europe indicates common environmental exclusions based on specific economic activities.

*We would like your views on whether the EU Ecolabel should have exclusions.*

### Q5.1 Should the EU Ecolabel have exclusions for specific activities on the basis of their environmental impact?

- Yes  
 No

*If yes, which ones below would be relevant?*

- Nuclear energy  
 Genetic engineering-  
 Fossil fuel energy generation  
 Coal mining  
 Petroleum extraction  
 Natural gas or shale gas extraction  
 Deforestation  
 Others (please specify)

If you chose other, please specify below

The exclusion criteria should also consider the following carbon intensive sectors. For example:

- Production of highly carbon intensive food products (like red meat)
- Manufacturing of fossil fuel vehicles
- Production of chemicals, plastic, fertilizers, cement, aluminium, paper, which do not have in place processes for reducing emissions (CO2 and pollutants) according to the best technically available abatement techniques.
- Mining of critical materials if not done according to the best available techniques to minimize impacts on the environment.

*If no, please provide an explanation.*

**Q5.2 Should the EU Ecolabel have exclusions for specific activities on the basis of their social and ethical impact?**

- Yes  
 No

*If yes, which ones below would be relevant*

- Tobacco  
 Pornography  
 Human rights violation  
 Labour rights violation  
 Corruption  
 Poor corporate management, insufficient long-term risk management  
 Poor Human capital development  
 Others (please specify)

If you chose other, please specify below

Alcohol  
Animal welfare violations  
Fur industry  
Weapons  
Gambling  
Dual-use export violations  
Violation of UN Guiding Principles of Business and Human Rights  
Violation of OECD Guidelines for Multinational Enterprises  
Violation of the UN Global Compact Screen  
Violation of International Labor Organization standards

*If no, please provide an explanation.*

The reviewed labelling schemes possess varying degrees of “strictness”, e.g., the Taxonomy of the Climate Bonds Initiative (CBI) has sector-specific exclusions but the French TEEC lists strict and partial exclusions (for suppliers to the excluded sectors).

These exclusions could be total, in which case the products that could be awarded the EU Ecolabel would be those that have no investments in companies that are active in specific economic sectors.

Alternatively, they could be partial, which would allow a portfolio to have a comparatively small investment share in companies (partially) active in specific economic sectors.

Note for partial exclusions, the threshold could be at the level of the company ('no investment in companies that have more than x% of their activities in excluded sector y') or at the level of the portfolio ('investment in excluded sector y cannot exceed z% of portfolio'), or a combination of both.

**Q5.3 If exclusions are included in the EU Ecolabel, should they be total or partial?**

Partial, please provide reasons

Total, please provide reasons

We believe that the products that could be awarded the EU Ecolabel should be those that have no investments in companies that are active in economic activities, falling under the exclusion criteria. This is important to ensure the maximum level of credibility of the Ecolabel and enhance the investors' confidence.

No opinion, please provide reasons

**Q5.4 If partial exclusions were to apply, could you provide examples of to which activities they should apply and how they could be applied, including thresholds.**

**Portfolio Thresholds for Greenness**

A review of existing schemes and labels indicates that they tend to work at three main levels - portfolio, company and economic activity. However, other levels may be necessary.

Your views on the important levels to focus on within the scope of the EU Ecolabel are sought.

**Q5.5 At what level do you consider the EU Ecolabel will need to work in order to verify the product's greenness?**

Multiple selections are allowed. For each selection you consider to be needed please also complete Q5.6.

	Not at all	Limited extent	Moderate extent	Great extent	Very great extent	Not relevant
Portfolio (e.g., investment funds)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Asset class (e.g., equities, bonds, securities)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company (x% turnover or revenue in green activities)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Activity and use of proceeds (e.g., renewable generators, green buildings)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you chose other, please specify below

Thresholds define the rules on minimum allocation for investment portfolios, ultimately based on the green share of the turnover of the companies issuing shares or bonds and/or the green share of the proceeds of bonds issued.

**Q5.6.1 Based on your selection of 'portfolio' in Q5.5, what minimum percentage should be invested in green activities for product to qualify for the EU Ecolabel?**

- at least 25%
- at least 50%
- at least 70%
- other (please specify)
- Not sure

If you chose other, please specify below

100% because the EU Ecolabel shall ensure that only products which fully finance environmentally sustainable activities can receive the EU Ecolabel. This will also contribute to enhance the retail investors confidence in those products.

**Q5.7 Please explain the reason for any of your selection in Q5.6 or provide your own proposal with a justification**

As a general principle we would support the most ambitious achievable level when setting the EU Ecolabel criteria. As indicated in response 5.6, this will also contribute to enhance the retail investors confidence in those products and potentially stimulate the demand for the products with the EU Ecolabel.

**Q5.8 Would you suggest any other methodology for defining the minimum portfolio allocation?**

**Q5.9 Focussing on specific asset classes, please describe technical criteria that could apply to the following:**

***a) Transferable securities***

*Shares*

*Bonds*

***b) Financial derivative instruments***

***c) Money market instruments***

***d) Real Estate***

***e) Others (please specify)***

FW is still evaluating the criteria which could apply to specific asset classes.

When assessing the 'greenness' of shares, a threshold should be identified based on the 'greenness' of the underlying business that has issued them. To be eligible for the EU Ecolabel, issuer companies may be asked to generate a minimum proportion of their revenue from green activities.

**Q5.10 When assessing the greenness of a portfolio, how should the 'greenness' of the various companies be weighted?**

- Minimum threshold applying to the (weighted) average of companies' green turnover share
- Minimum share of green turnover (or revenue) required for each of the companies
- Others

If you chose other, please specify below

When assessing the 'greenness' of bonds, be eligible for the EU Ecolabel issuer companies may be asked to ensure that a minimum proportion of the proceeds of the bonds are invested in green activities.

**Q5.11 To what extent should the greenness of the issuer of the bonds be taken into account?**

- Not at all
- Limited extent
- Moderate extent
- Great extent
- Very great extent
- Not sure

## 6. Assessment and Verification Methods

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This section aims to gather information on current assessment evaluation and verification practices employed for assessing the compliance of financial products with the requirements of green/sustainability labels, schemes, rating systems etc.

*In this section we are interested in your views on how the verification could work and where you see the main challenges.*

### **Portfolio verification**

Given that portfolios may have investments in a number of different types of financial assets this could have implications for the assessment and verification processes. We would welcome your views on this.

**Q6.1 To what extent would the following financial products require their own specific form of verification?**

	Generic verification	Very specific form of verification
Investment funds addressed to retail clients	<input type="radio"/>	<input type="radio"/>
Life insurance policies with an investment element	<input type="radio"/>	<input type="radio"/>
Structured Products	<input type="radio"/>	<input type="radio"/>
Structured Deposits	<input type="radio"/>	<input type="radio"/>
Bonds	<input type="radio"/>	<input type="radio"/>
Pension products	<input type="radio"/>	<input type="radio"/>
Savings schemes/accounts	<input type="radio"/>	<input type="radio"/>



Others (please specify)	<input type="radio"/>	<input type="radio"/>
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If you chose other, please specify below

Please elaborate further with examples

**Q6.2 To what extent would the following asset classes require their own specific form of verification?**

	Generic verification	Very specific form of verification
Shares	<input type="radio"/>	<input type="radio"/>
Bonds	<input type="radio"/>	<input type="radio"/>
Financial derivatives	<input type="radio"/>	<input type="radio"/>
Money market instruments	<input type="radio"/>	<input type="radio"/>
Real estate	<input type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input type="radio"/>

If you chose other, please specify below

Please elaborate further with examples

**Managing the verification**

A key consideration for the EU Ecolabel is the cost and complexity of assessment and verification for applicants. We would welcome your initial views and examples of how this can be streamlined and minimised effectively.

**Q6.3 How can the cost and complexity of assessment and verification be minimised?**

Please provide working examples where possible.

FW is not in a position to provide information on how the costs and complexity of assessment and verification method can be minimized.

There already exists a substantial expertise in the verification of the greenness of financial products. This expertise could be employed to reduce the burden on national Competent Bodies.

**Q6.4 To what extent, and under what conditions, should private verifiers be permitted to assess compliance with the EU Ecolabel criteria?**

- Not at all
- Limited extent
- Moderate extent
- Great extent
- Very great extent
- Not sure

Please elaborate further on your opinion

**Q6.5 Please make any other suggestions or recommendations for the assessment and verification.**

We are concerned that the private verifiers would not be in a position to provide unbiased opinions, in case the verifiers will be paid by companies who would need to be verified. So, we believe that a public verifier should be in charge to assess the compliance.

Only in case adequate processes to address the problem of conflict of interest are foreseen the private verifiers should be permitted – to a limited extent - to assess compliance with the EU ecolabel.

**Contact**

[jrc-b5-financial-products@ec.europa.eu](mailto:jrc-b5-financial-products@ec.europa.eu)

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