Public consultation on long-term and sustainable investment

Fields marked with * are mandatory.

Introduction

Fostering growth and investment is one of **European Commission's top priorities.**

To maintain and extend its competitiveness, Europe needs significant new long-term and sustainable investment.

These can also help achieve the EU's policy objectives linked to the transition to low carbon and climate resilient economy and promote environmentally and socially sustainable wealth creation, including respect for fundamental rights.

The Communication on Long-Term Financing of the European Economy [COM/2014/168 final] emphasized that one of the key features of long-term financing is that investors take longer-term aspects such as environmental, social, governance issues into account in their investment strategies. It further underlined the importance of ESG issues for the longer-term sustainable performance of companies and investors and announced further reflection on incentives for more sustainable investment. The Action Plan on building a Capital Markets Union [COM/2015/468 final] also reiterates the importance of ESG investments.

This consultation seeks to gather information on how **institutional investors, asset managers and other service providers in the investment chain factor in sustainability (ESG) information and performance of companies or assets into investment decisions.** The consultation will also gather information about possible obstacles to long-term, sustainable investment.

The results of this consultation will be used by the Commission to assess the state of play in this field. A feedback document outlining the overall results of the consultation will be made public.

Definitions

For the purpose of this consultation, the following definitions are used:

Sustainable or responsible investment is a comprehensive approach to investment that explicitly takes account of environmental, social and governance (ESG or sustainability) issues and the long-term health and stability of the market as a whole. The evaluation of ESG issues is a fundamental part of assessing the value and performance of an investment over the medium and longer term. It also implies that an investor should be an *active asset owner* engaging with companies (for example through dialogue on strategy, risk, corporate governance) to improve their performance. [See Principles for responsible investment, What is responsible investment?]

Material *environmental* factors include, among others, carbon emissions, climate change risks, energy usage, raw material sourcing and supply risks, waste and water management. *Social* factors include, in particular, customer and employee relations, health and safety, human capital management, fundamental rights. *Governance* matters include, in particular, board accountability, structure and size, management ability to deliver a strategy, executive compensation schemes, bribery and corruption.

Specific Privacy Statement:

SpecificPrivacyStatement.pdf

About the respondent

*1. Please provide your full name (authority, association, organisation, enterprise, ..., as applicable)

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*2. Please provide contact details (e-mail, phone number, postal address)

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*3. Are you replying as:

- ○ a. Public authority
- ○ b. Institutional investor
- ○ c. Asset manager
- ○ d. Other service provider or advisor
- ○ e. Company
- ○ f. Association
- ○ g. Retail investor
- ○ h. Private person
- ● i. Other

*Please specify:

Professors of Law

*

4. Is your organisation registered in the EU Transparency Register? (If not, you may register here, although you do not have to be registered to reply to this consultation.)

- ( ) Yes
- (•) No

*5. Please indicate your country of residence or establishment:

- ( ) Austria
- ( ) Belgium
- ( ) Bulgaria
- ( ) Croatia
- ( ) Cyprus
- ( ) Czech Republic
- ( ) Denmark
- ( ) Estonia
- ( ) Finland
- ( ) France
- ( ) Germany
- ( ) Greece
- ( ) Hungary
- ( ) Ireland
- ( ) Italy
- ( ) Latvia
- ( ) Lithuania
- ( ) Luxembourg
- ( ) Malta
- ( ) Netherlands
- ( ) Poland
- ( ) Portugal
- ( ) Romania
- ( ) Slovakia
- ( ) Slovenia
- ( ) Spain
- ( ) Sweden
- ( ) United Kingdom
- (•) Other

*Other, please specify:

Norway

*6. Please indicate whether you consent to publication:

- (•) Under the name indicated – I consent to the publication of all information in my contribution, and I declare that none of it is under copyright restrictions that prevent publication.
- ( )

Anonymously – I consent to the publication of all information in my contribution, except my name/the name of my organisation, and I declare that none of it is under copyright restrictions that prevent publication.

No, I do not consent to the publication of my contribution. I understand that my anonymised responses may be included in published statistical data, for example, to show general trends in the response to this consultation.

Please note that before completing the survey you will have the opportunity to upload documents to further support or illustrate your views.

Questions

1. Rationale for ESG inclusion into investment decisions

1.a. Do ESG factors pay a role in the investment decisions of investors? If not, why?
If yes, please specify which considerations are reflecting in your investment policy and mandates? In what form is this commitment expressed?

No, only to a very limited extent.

The majority of investors in major listed firms are institutional. However, the smallest listed firms and especially the non-listed firms are still largely left to retail investors, for instance venture capitalists because of their lower prices and possibility to take into consideration longer investment horizons than in larger listed companies dominated by institutional investors whose default investment pattern is to maximize returns (including share price increase as well as distributions such as share buy backs and dividends).

For these institutional investors, due to their management and ultimate beneficiaries' structures, short-term profits are prioritized over long-term profitability of the firms as their (both money managers' and their clients') investment horizons are short.

Institutional investors' short selling, empty voting and other financial engineering patterns as well as quarterly return requirements keep their money managers' focus on the short term.

Most importantly, institutional investors are led by activists such as hedge funds who, with even shorter investment horizons and even more frequently using short selling and empty voting patterns, both leading to aggressive fight for short-term maximisation of returns.

These investors are followed by passive other investors who might consider ESG issues on paper but do not prioritise them at the risk of losing short-term profit.

True attempts at responsible investments are still very much a fringe phenomenon. This is due partly to institutional investors' investment patterns, partly to regulatory requirements for investment targets and minimum yield for the capital invested (see below).

1.b. What is the main rationale for institutional investors and asset managers to take ESG risks and opportunities into account in their investment decisions? Please indicate all the relevant issues (multiple choice)

- [ ] a) risk management:
- [ ] b) alignment of investment policies with the long-term interests of beneficiaries of the institutional investor,
- [ ] c) pressure from clients on whose behalf the institutional investor invests funds,
- [ ] d) seeking a positive social or environmental impact of investments,
- [ ] e) ethical considerations,
- [ ] f) legal or regulatory constraints, please specify,
- [x] g) other, please specify.

*g) other, please specify:

Focus on ESG issues is mainly window dressing.

Please provide an explanation :

Some of the institutional investors' ultimate beneficiaries (for instance employees saving for their pensions) may give value in principle to ESG issues and long-term sustainability but their role in the investor's own governance is non-existent, not to mention the non-financial firms in which the investors have shares. ESG talk can be used both in financial and non-financial firms in marketing, in the former when marketing financial products to the ultimate beneficiaries. Due to informational asymmetry between the ultimate beneficiaries, institutional investors and non-financial firms in which they are investing, the ultimate beneficiaries are not able to monitor whether this marketing talk is true or false.

2. Information on ESG risks and opportunities

2.a. Which ESG risks do you perceive as material to investors?

Nowadays, there is an increasing recognition of the importance of ESG issues in independent boards of non-financial firms. This growing awareness by the boards is however a risk to institutional investors looking for short-term profits, to the extent it translates into a genuine desire to run the firm with a more long-term perspective. The main target of activist shareholders is accordingly to curtail the power of these boards.

2.b. What are the main sources of reliable and relevant information for investors on material medium- to long-term risks and opportunities, particularly on ESG issues?

At this moment, there are no reliable and verifiable sources. According to our international comparative research, there is no European jurisdiction with a satisfactory mandatory ESG reporting system. Whilst recognition of the potential relevance of reporting to improvement of environmental performance might indicate that accounting and reporting could improve sustainable corporate behaviour, implementing these type of rules mechanically and without proper enforcement mechanisms, could be counterproductive for their future development.

2.c. Is it difficult for investors to access such information? If so, please specify:

Unless reported verifiable, it is not merely difficult; it is impossible or at the very least unfeasible due high transaction costs.

2.d. Is access to such data expensive? If so, please specify:

Reliable data must be collected from the field as there is none available from the firms itself.

2e. What factors may prevent or discourage companies from disclosing such data?

In a typical scenario, the board members must ensure that the share price rises or at least does not fall, to keep their seats and their remuneration packages. All deviations from short-term maximization of returns are negative for them so there is no incentive to disclose long-term data.

2.f. What is the main rationale for companies to publish such information? Please indicate all the relevant issues. (multiple choice)

- [ ] a) relevance of ESG issues to company performance
- [x] b) attracting financing for specific projects, for example green bonds
- [ ] c) legal or regulatory constraints
- [ ] d) demand from investors
- [ ] e) pressure from stakeholders
- [ ] f) other

2.g. Is there sufficient accountability for the disclosure by companies of such information?

No. It is neither in the firms' nor in their auditors' interest to verify non-financial information as there is not any enforced legal requirement or sufficient demand for such verified information to create incentives for firms, their accountants or auditors to supply verified information. According to our research, while empirical studies indicate that existing non-financial reporting may be neither relevant nor reliable, it is rarely rational for one firm to break away from the herd and make public a holistic, relevant picture of the social and environmental impact of their business.

As far as assurance is concerned, verifying the information that the firms do provide would then be risky for the firms' auditors as it would potentially create a stronger basis for legal action against them if the information is proved to be false or misleading (e.g. by contractual parties basing themselves on that information). Accordingly and with auditors trained to verify financial information, they will also be reticent to verify non-financial information.

2.h. What are the best practices as regards internal corporate governance processes to ensure proper reliability of the disclosed information?

There is no readily available verified or verifiable information on best practices. Based on our research, good internal corporate governance processes require either an active, dedicated shareholder with a long-term, responsible goal, which is highly exceptional among the institutional shareholders due the imbalance between risk and control created by financial engineering described above, or, to make this a norm, a strengthening of the role and duties of the board through legal reform. This should entail both clarification of the duties of the board and strengthing its role and position (competence) vis-à-vis the shareholders' meeting.

This is, however, against the general shareholder primacy trend in both the European Union and the United States, emphasizing shareholder's say in business decisions to the detriment of the board, concerning, for example, takeover defences, say on pay, and important business decisions.

On a general note, satisfactory internal corporate governance processes require a clear mandate for the board to ensure that this is put into place and followed up, combined with external verification of the board's reporting on these issues. For the board to follow up on such a mandate, it needs protection to mitigate the short-term pressure of the shareholders and the financial market generally, either through, exceptionally, a controlling, active shareholder with a long-term, responsible goal, or through legal reform that clarifies the duties and strengthens the role and position of the board.

2.i. What is the role of specific ESG investment instruments, like green bonds?

Per today, no serious role in regulated markets. Green bonds and other such initiatives are still a fringe phenomenon.

3. <u>Integrating ESG information into risk assessment models of institutional investors and asset managers</u>

3.a. What should an appropriate long-term risk assessment methodology look like? Please indicate some examples of good practice.

There is no readily available information that indicates that ESG information has been sufficiently integrated into any risk assessment models of institutional investors and asset managers. The attempts at ESG integration that we are familiar with in financial firms are superficial and does not change the general approach of the investment strategy.

Some large Nordic pension and other funds, like the Norwegian pension fund global, and Nordea funds, have strategies to divest from certain sectors, such as tobacco, land mines and coal, and to use their influence to steer the companies into a more sustainable direction.

However, the latter is undermined by the short-term return requirements applied also to these funds, and although the former technique (divestment) may have some effect, it is not mainstreamed yet. These investment strategies are not sufficient to change the 'business as usual' model, which is short-term and unsustainable in the financial, social and environmental sense.

An appropriate long-term risk assessment methodology would involve setting clear and verifiable goals for the investment, based on overarching societal goals and informed by science, notably that on the planetary boundaries, and shaping the risk assessment methodology accordingly.

We will be working on these issues in the H2020-funded project Sustainable Market Actors for Responsible Trade (SMART), available at jus.uio.no/companies under Projects.

3.b. Are there specific barriers, other than those of a regulatory nature (see question 9) for investors to integrate medium-to long-term risk indicators, including ESG matters in their risk assessment? If so, please indicate what you consider to be the main barriers.

The main barriers are the shareholder primacy drive in non-financial firms, enhanced by the personal interests of money managers investing in them, and generally all the economic incentives that are set into place to promote short-term maximisation of returns for money managers and the ultimate beneficiaries, with the tendency to curb the competence of the non-financial firms' boards.

4. Integration of ESG aspects in financial incentives

4.a. When selecting and remunerating asset managers, how do institutional investors take into account asset managers' integration of ESG issues into investment strategies? What are the best practices in this area?

Asset managers are remunerated based on short-term returns so there is a strong incentive NOT to take ESG issues into consideration.

4.b. Is ESG performance and active asset ownership taken into account in the remuneration of the executives and/or board members of institutional investors? What are the best practices in this area?

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Generally not. There are some attempts at integrating ESG issues into
remuneration practices in non-financial firms but generally only on a
superficial level which does not mitigate the mainstream focus on levels of
financial returns. In institutional investors, according to our knowledge,
this does not take place or only very exceptionally (see above concerning
specific Nordic investors).
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5. Capacity of institutional investors

5.a. Do you think that the lack of scale or the lack of skills and resources of some institutional investors may affect their ability to integrate ESG factors in investment decision-making and engage on such issues? If so, how? Please provide evidence if possible.

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Partly.

While some institutional investors may wish to integrate ESG factors in their
decision-making, the mainstream shareholder primacy drive, enhanced by the
aggressive institutional investors and their consultants (for instance proxy
advisors) is so dominant in modern corporate governance that it is difficult
even for the more long-sighted investors to individually find out how to
change this. The barrier is therefore not primarily lack of scale or lack of
resources but the difficult of breaking away from the pressure of the herd,
which would involve breaking out of a system that is tightly incentivised
towards short-term maximisation of returns, including remuneration mechanisms.
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5.b. Please indicate measures/practices that have contributed to enhance institutional investors' capacity and ability to integrate ESG factors in investment decision-making and engage on such issues.

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While some attempts are made through international standards and guidelines,
research indicates that these are not stringent or focused enough, leaving too
many options to the investors and no real incentives for integration that
combats the dominant mainstream shareholder primacy drive. In summary: no true
measures.
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6. Internal governance and accountability of the institutional investor

6.a. To what extent can good internal governance of institutional investors, such as mechanisms aiming to align interests between beneficiaries, board and key executives, influence their ability and willingness to integrate ESG factors in investment decision-making and engage on these issues? Please provide evidence or good practices if possible.

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As institutional investors are incentivised through the current system to seek
profit both for their beneficiaries and for their own management, there is
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little room in practice for their boards to act against their common interests. In this, institutional investors deviate from firms in the non-financial, productive sector that they invest in. The boards in these firms have, or rather should have, incentives to take into consideration the broader prosperity of the firm than that which is measurable in short-term profits. In practice, institutional investors therefore exert pressure which aims to reign in board independence and competence. To enhance ESG factors, restrengthening the role of the boards is therefore crucial.

6.b. Do beneficiaries of pension funds and other institutional investors with long-term liabilities obtain sufficient and clear information about how the fund or investor is managing ESG risks? Can they give their opinion/be consulted on these aspects? Please provide examples of good practice.

To the extent that we can generalise, the beneficiaries' main interest is in securing the returns on their investments, typically their pensions or savings. While they may wish to see ESG integrated into the pension funds on a general level, they will not wish for this to come at the cost of lowered or more uncertain personal returns.

This conflicting mandate is given to their money managers, and even enhanced by the regulator demanding excessive returns to cover payments to the ultimate beneficiaries. Due to this social pressure, there is little or no indication of the beneficiaries or their representatives as trade unions asking for or being given 'sufficient and clear information' or otherwise attempting to understand the reality of the situation, which is that the system is structured to focus on short-term returns.

Additionally, in most cases, the beneficiaries have no say to investment decisions.

6.c. Are beneficiaries interested in matters referred to above? Please provide evidence if possible.

The beneficiaries do not generally seem to understand the conflict between the current system and long-term sustainability, and while they or their agents (money managers) may pay lip-service to overarching societal goals of sustainability, their main focus is on securing their personal financial returns. They do not seem to understand the conflict between short-term returns and long-term financial interests either. High-level policy-makers probably need to be much clearer on these issues before we can see a change in the system. Unfortunately, the trends seem to be in the opposite direction, with more emphasis on strengthening the role of shareholders, in spite of the high-level focus on the overarching societal goals of ensuring the transition to carbon-neutral, sustainable societies and protecting human rights.

7. The role of other service providers

7.a. Is there sufficient long-term oriented, reliable and relevant external investment research? Are there barriers to good quality external investment research on ESG risks and opportunities? If so, please explain. What role, if any, do financial incentives or conflicts of interests of some service providers play?

There is generally a vast gap between research-based knowledge and investment decisions. The main barrier is the already mentioned drive for short-term maximisation of returns and the economic incentives put into place for this, based on misguided ideas of securing societal welfare through the maximisation of shareholder returns. Financial incentives for service providers are a part of the short-term, narrowly focused system, and constitute a major conflict of interest with society’s interest in long-term sustainability.

7.b. To what extent do investment banks, investments analysts and brokers provide information on medium-to long-term company performance, including corporate governance and corporate sustainability factors, when they make buy, sell and hold recommendations to investors?

Generally far too little.

7.c. To what extent do investment consultants consider the asset managers' approach to ESG issues and active asset ownership when advising institutional investors about the selection of asset managers?

This is a question that requires further research. Based on current knowledge, there is little to indicate that an active and progressive stance on ESG issues in itself is perceived as a positive factor, as the main focus appears to be on the ability of securing sufficiently high financial returns in the narrow and short-term sense. Proxy advisory firms have a strong role in strengthening short-termism, usually in cooperation with hedge funds.

7.d. To what extent do proxy advisors consider medium-to long term performance of companies, including ESG performance, in their voting recommendations?

The proxy advisors are a major obstacle for sustainability. Leading proxy advisors work with shareholder activists to increase the maximization of shareholder power and through that, short-term maximisation of returns, undermining the possibilities for boards of non-financial firms to create long-term, sustainable value.

7.e. To what extent do credit rating agencies take medium-to long term performance of companies, including ESG performance, into account in their ratings?

Research indicates that credit rating agencies do not take medium to long term performance of companies, including ESG performance, into account in their ratings in a satisfactory manner. In addition to the general criticism that has been raised against credit rating agencies’ assessment of financial sustainability after the recent financial crises, research indicates that they are even less able or willing to integrate environmental and social sustainability into the basis for their ratings, especially on medium and long-term. There is still a tendency to leave these issues to separate so-called CSR ratings, which are hampered by lack of comparability, stringency and verifiability in the information that the ratings are based on. Notably, a recent report emphasises that credit rating agencies are miscalculating the risks of climate change, in spite of generally available knowledge on the signifance of climate change, which could lead to the next big financial crisis.

7.f. What are the best practices as regards independent external assurance (for example auditor review) for the disclosure by companies of material medium- to long-term risks and opportunities, particularly ESG issues?

There is no compulsory external assurance on ESG issues. The possibility of using separate ESG reports waters this down. As far as ESG information that is included in management reports is concerned, according to Article 34 of Accounting Directive, the statutory auditor(s) or audit firm(s) shall express only an opinion on whether the management report and consolidated management report is consistent with the financial statements for the same financial year, and whether the management report has been prepared in accordance with the applicable legal requirements, and must state whether, in the light of the knowledge obtained in the course of the audit, the auditor has identified material misstatements in the management report. These requirements do not apply to separate non-financial reports at all.

There have been positive exceptions. In Finland, management reports are under full auditing. However, due the pressure from both the firms and the auditors, this requirement will be abolished. The main argument for abolishment is that the requirement of verification is too difficult for auditors and creates obstacles for the firms to write freely what they want to their management reports. Also here, we can see the international pressure for shareholder primacy and short-termism against taking long-termism and ESG issues seriously as opposed to only as window dressing and marketing.

8. The role of non-professional investors

8.a. Do you know of initiatives that led to more sustainable and responsible investment from non-professional investors? Please provide details about them.

There are signs of sustainable and responsible investments outside regulated markets, for instance in private investments and crowdfunding. Generally retail investors investing in non-listed firms have longer investment horizons than institutional investors in regulated market. As a policy recommendation, investments in non-regulated markets should be enhanced by regulatory measures.

9. Legal or regulatory constraints

9.a. Are there legal or regulatory constraints likely to significantly and unduly prevent or discourage investors from taking a long-term view in their investment strategies and decisions and from investing in a sustainable way? If so, please provide details.

In many jurisdictions, there are regulatory requirements for minimum yield for capital invested for public purpose institutional investors, for instance pension funds and companies. These kind of requirements create additional incentives for short-termism.

In addition, there is a lack of legislative clarity as regards the purpose of both financial and non-financial companies and the role and duties of their boards. This unclarity has made possible the growth and dominance of the social norm of shareholder primacy, and especially control-enhancing mechanisms as empty voting, short selling and financial engineering, enabling separation of risk and control, making it possible to bet with other people's money.

This lack of legislative clarity combined with enhanced shareholder voting rights protection without risk liability, and legislative and corporate governance incentives to focus on short-term financial returns are significant constraints that require thoughtful, research-based legislative reform.

9.b. Do you believe that there are any barriers to the understanding by institutional investors and asset managers of their fiduciary duties that would not enable them to appropriately take ESG factors into account in their investment decisions? Please explain.

The whole industry is based on short-term maximization of the asset managers' personal profits. There are no incentives to take long-term interests of the firms they invest into consideration.

10. Others

10.a. Are you aware of any other incentives or obstacle(s) with a significant impact? If so, which ones?

The main problems are:
- shareholder primacy drive both as a social norm and legislative agenda, emphasising the shareholders' say over business decisions;
- the diminishing possibilities of boards in non-financial firms to take into consideration ESG issues due the pressure from the institutional investors;
- lack of incentives for financial firms and their beneficiaries for long-term investment horizons;
- the prevalence of economic incentives for short-term investments;
- possibility to separate risk and control with financial engineering like empty voting and share lending;
- lack of clarity in boards' duties, both in financial and non-financial

firms;
- lack of reliable ESG reporting;
- lack of reliable ESG reporting assurance.

10.b. Would you consider further increase in sustainable investments if market or regulatory conditions for sustainable investment would be more favourable? If so, please provide estimations, if possible.

Sustainable investments, i.e. investment in projects and in firms that will promote environmental, social and financial long-term corporate sustainability, is crucial to help achieve the EU's policy objectives linked to the transition to low carbon and climate resilient economy and promote environmentally and socially sustainable wealth creation, including respect for fundamental rights. The lack of sustainable investment is a massive market failure. To correct this, a holistic reform package is required, and a necessary first step is to create an EU-wide regulatory environment conducive to sustainable business, that can withstand the pressure for short-term maximisation of returns to investors and that will move the competitive advantage from unsustainable and to sustainable business. This would make possible a level playing field both non-financial firms and investors investing in them, where it is rational to have and invest in long-term projects and report honestly and fully about environmental and social impacts of both production and investments, and where the real economy accordingly offers verifiably sustainable investment opportunities. Together with a reform of the regulatory framework for both non-financial firms and institutional investors, to remove the drivers for focusing on short-term returns for their managers and beneficiaries, this has the potential for channelling investments to innovative, low-carbon, future-oriented business projects. This would strengthen the EU's position as an innovation union, creating new market leaders and providing new, environmentally and socially sustainable jobs as a crucial part of wealth creation in a circular economy. At the same time, it would shift the focus in practice from the present-time beneficiaries only to including the future generations, for instance when pension funds are concerned.

Company law and business law more broadly, has a crucial role to play in the transformation towards sustainability because it provides the legal framework for the internal workings of the non-financial and financial company, including its decision-making. A thoughtful, well-founded reform of the purpose of companies and the role and duties of the board is therefore expected to impact on not only the decision-making within the company but also its relationship with its shareholders, its employees and society at large, by stimulating the enormous potential within business to create long-term, sustainable value. Long-term economic sustainability presupposes that business is conducted with respect for the ecological limits. The concept of planetary boundaries embodies this fundamental recognition and should therefore be a key issue in a redefined purpose of companies. Realising the enormous potential for sustainable value creation within each company cannot be undertaken through regulation in a command-and-control, top-down manner. To stimulate each company to identify its own individual, innovative way of creating sustainable value, the duties of the board, both in the non-financial and financial sector, should encompass the drawing up of a long-term, life-cycle based sustainable business plan of how the company is to achieve either directly, or through investments, life-cycle based value creation within the planetary boundaries. . Such a requirement would involve a standardisation of a process that companies wishing to achieve long-term sustainable value would need to do anyway, and would contribute to lowering costs and establishing a level playing field.

The plan should include key performance indicators (KPIs), relevant to the specific plan of the company and institutional investor, which they can report on annually. The selection of KPIs should be verified, to ensure that these core indicators against which the company and investor is to report are relevant and sufficient. With guidelines or standards endorsed by the European Commission to identify the relevant and sufficient indicators, such a check, which only needs to be undertaken when the sustainable business and investment plan is drawn up or fundamentally revised, would not be burdensome. The proposal would give a clear duty on which to report and give content to the recently adopted non-financial reporting requirement on the EU level. This reporting should be an obligatory part of the management report, with reporting against the key performance indicators included in the sustainable business and investment plan. Such a reform would be an innovative business law follow-up on the non-financial reporting rules, the circular economy package as well as the EU’s public procurement reform.

(References are uploaded in a separate document, due to space restrictions in the questionnaire.)

You can upload additional documents here:

c4aeeace-e9e6-4fe5-b261-9bc7d9852ac3/ReferencesPublicConsultationLong-termSustainableInvestm

Disclaimer:

This document is a working document of the Commission services for consultation and does not in any manner prejudge the final form of any future decision to be taken by the Commission.

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