

OVERVIEW OF OUTREACH PLANS

Commission Technical Expert Group on Sustainable Finance (TEG)

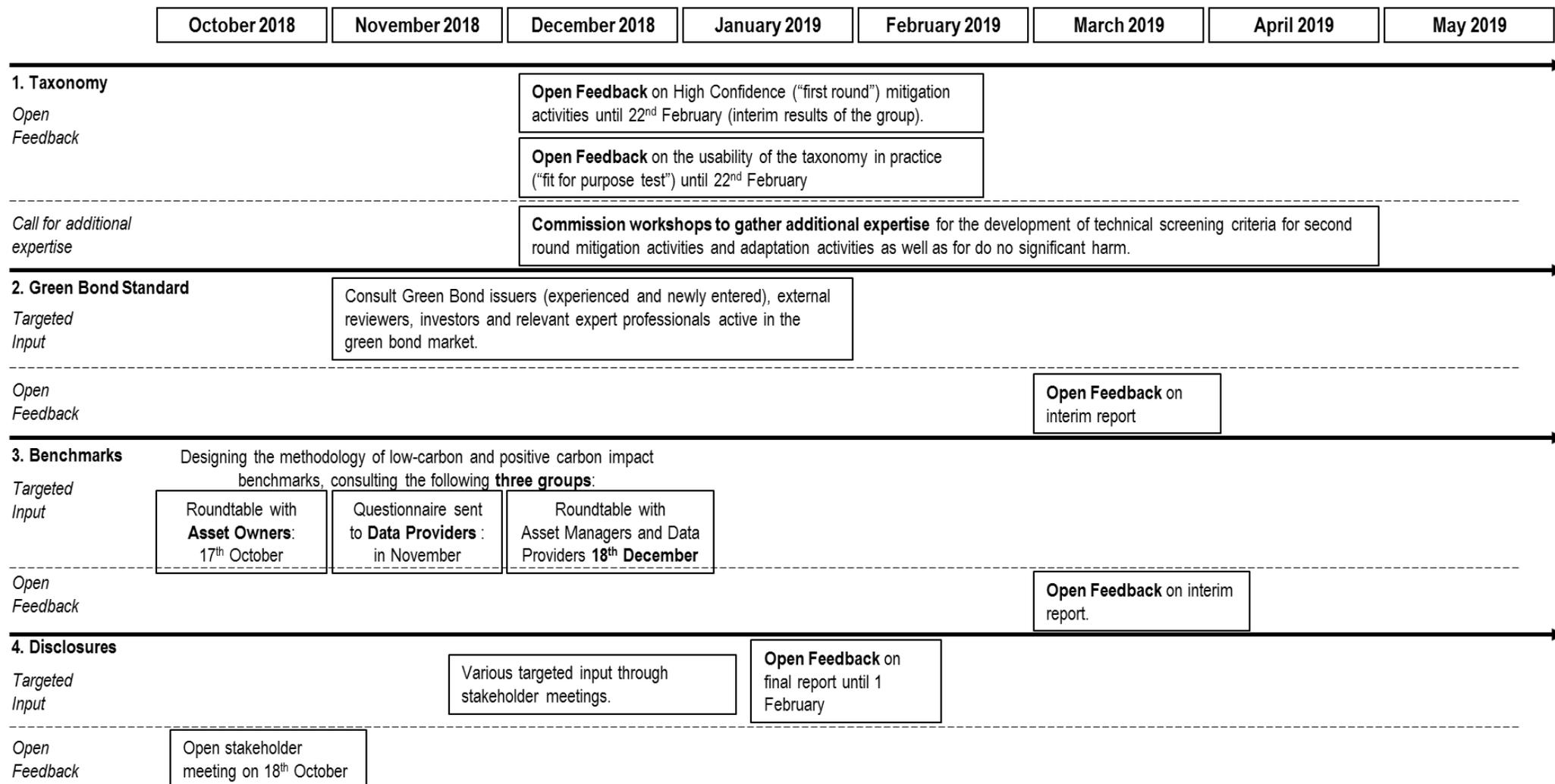
The TEG has been asked to assist the Commission in the development of:

1. technical screening criteria for environmentally sustainable economic activities under the EU taxonomy;
2. an EU Green Bond Standard;
3. minimum standards for the methodology of "low carbon" and "positive carbon impact" indices, and minimum disclosure requirements on ESG integration in the methodology of benchmarks and
4. metrics allowing improving disclosure on climate-related information.

The Commission and the TEG aim to foster a transparent and meaningful outreach process as well as communication with experts, other relevant stakeholders, and the media. This document provides an overview of current outreach plans. The document will be updated regularly to include additional dates and details once they are known.

Each of the four sub-groups of the TEG has been asked to identify areas where additional expertise and technical input is needed for the successful conclusion of their tasks. The TEG has also been encouraged to ask for feedback on interim deliverables as much as possible.

Below please find an overview of current outreach plans as well as further details of the plans per task. The Annex provides a table with further details per event.



PLANS PER TASK

1. *Taxonomy*

On May 24th, the Commission proposed to create a framework for establishing a unified EU classification system of sustainable economic activities, also known as the Taxonomy proposal. Under this proposal, whether an economic activity qualifies as being environmentally sustainable depends on four requirements:

- the activity must contribute substantially to one of the six EU environmental objectives;
- the activity must not do significant harm to any of the other five EU environmental objectives;
- the activity must comply with minimum social safeguards;
- the activity must comply with technical screening criteria.

These technical screening criteria will determine whether an activity can be considered to substantially contribute to one of the environmental objectives and not significantly harm the other environmental objectives.

The taxonomy working group (TWG) has been tasked with developing these technical screening criteria for the EU taxonomy or classification system of environmentally sustainable economic activities, starting with the environmental objectives of climate change mitigation and climate change adaptation.

The group has launched its consultation strategy December 7th. It consists of three elements:

1. **Call for feedback** on “high confidence” / phase 1 climate change mitigation sectors. The TWG has identified activities in sectors where technical screening criteria, such as standards and thresholds have already been established by industry. Based on these existing approaches, the TEG will develop its own preferred thresholds. The TWG will then seek technical feedback through an open process concerning the proposed technical screening criteria.
2. **Call for additional expertise** seeking technical input on phase 2 mitigation sectors and adaptation sectors, as well as do no significant harm. The Commission has therefore decided to host workshops to gather this expertise. Experts are invited to register their interests to attend these workshops and thereby provide technical input.
3. **Call for feedback** on usability of the taxonomy. The TWG will invite comment on the fitness for purpose of the taxonomy format for practical implementation.

Please find also all relevant [information online](#).

2. *EU Green Bond Standard*

The task of the group on the EU Green Bond Standard (GBS) is to prepare a report on an EU GBS by Q2 2019. This report shall include guidance or options on the key components of such a standard, concerning all relevant sectors, steps and actors, as well as assess the impact of such a standard on the development of the green bond market. The EU GBS will be linked to the new sustainability taxonomy, as it becomes available.

The group has identified the following subjects on which it would like to acquire additional expertise and/or market feedback:

- potential impact of a GBS;
- scope and nature of the standard and issuer groups to be subject to GBS;
- content and structure of legal and other documentation;
- creating standards, verification and accreditation of verifiers;
- related incentives surrounding the GBS.

The group is currently looking at related key questions and issues, and will develop thematic papers. The group will start with its **targeted input** between November 2018 and January 2019. Thereafter, the group will request **feedback** from the wider public during **March 2019** along with the subgroup on Benchmarks. The GBS group will also consider relevant feedback received through the outreach activities of the other groups, in particular disclosures and taxonomy.

3. Low-Carbon Benchmarks

The task of the sub-group on low-carbon benchmarks is to prepare a report on:

- minimum standards for the methodology of low-carbon benchmarks;
- minimum standards for the methodology of positive carbon impact benchmarks;
- minimum content of disclosure on how the key elements of the methodology of benchmarks, which pursue to take into account ESG objectives, reflect the ESG factors.

This report will be used as a basis for the delegated acts under the benchmark regulation.

The sub-group on benchmarks would like to acquire additional expertise and market feedback on its work by facilitating targeted discussions with major asset owners (e.g. pension funds, (re-)insurance companies), asset managers and retail investors, as well as index providers and climate change experts.

The first workshop to gather **targeted input** was held in Brussels on 17 October with asset owners. The sub-group gained insights into whether they already have a carbon strategy in place and what motivated them to allocate a significant part of capital to mandates with low-carbon and positive carbon impact benchmarks. The participants of the workshop were identified as a knowledgeable and advanced asset owner on sustainable finance topics. Workshops for index providers and asset managers will be organised for December 18. Data providers' views were collected through questionnaires sent in November.

In addition, the sub-group plans to finish its interim report by end of February 2019. It envisages to organise a four weeks interim **open feedback period** in March together with the subgroup developing an EU Green Bond Standard. The Benchmark sub-group considers using the EU Survey tool and ask a series of closed questions to the participants, as well as a non-targeted public feedback on the interim report.

4. Climate-related Disclosures

The sub-group on Climate-related Disclosures has made recommendations for the update of the Commission's non-binding guidelines on non-financial disclosure. The existing version of the guidelines was adopted by the Commission in 2017. The guidelines were required by the Non-Financial Reporting Directive. The update of the guidelines will address climate-related disclosures only.

Because the Commission expects to adopt an updated version of the guidelines in Q2 2019, the disclosures sub-group has worked with a different timetable than the other TEG sub-groups and has already finalised their [report](#) in January 2019.

The group has gathered **Targeted input** from stakeholders with specific areas of expertise/experience at different stages between Q4 2018 and the beginning of Q1 2019. The first targeted input took place in Brussels on **18 October 2018** and was convened and moderated by the Commission.

The subgroup invited for [open feedback](#) on the final report between 10th January and 1st February. The group will analyse the feedback received and submit it to the Commission.

The European Commission will take this report and the subsequent feedback into account for its revision of the non-binding guidelines that accompany the NFI Directive, which is scheduled for the second quarter of 2019. The **Commission will again consult stakeholders** on the update of the non-binding guidelines during a one-month online consultation, starting by the end of February.