

European Commission  
Rue de la Loi / Wetstraat 170  
B-1049 Bruxelles/Brussel  
Belgium

Norwegian government  
Ministry of Finance  
P.O. Box 8008 Dep  
NO-0030 Oslo  
Norway

## **Input to proposal for a regulation on EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks**

On March 24<sup>th</sup> 2018, the European Commission presented its proposal for amending Regulation on low carbon benchmarks and positive carbon impact benchmarks (EU) 2016/1011. Then, on March 11<sup>th</sup> 2019, the Council of the European Union presented its proposal for a regulation on EU climate transition benchmarks and EU Paris-aligned benchmarks.

The proposals are initiatives to make investments more sustainable and to support transforming Europe's economy into a greener, more resilient and circular system. The needs of the present must not compromise the ability of future generations to meet their needs. The aim is also to follow up on the 2016 Paris agreement on climate change and the United Nations 2030 Agenda for Sustainable Development.

The Norwegian Consumer Council welcome the initiatives and proposals from both the Commission and the Council. In our view, there are strong arguments for introducing an appropriate regulatory framework that can enable consumers and investors to make more informed and better choices.



The Norwegian Consumer Council (Forbrukerrådet) would like to take this opportunity to provide both the European Commission and the Norwegian government with our views and to give our input on some of the themes listed in the proposals.

The Norwegian Consumer Council strongly support the direction of the new EU regulation, with special emphasis on the following points:

- The shift towards sustainable development and transition to a low-carbon, climate resilient, circular and more resource-efficient economy is necessary and paramount in order to succeed in limiting global warming to 1.5°C, and well below 2°C.
- It is crucial to remove obstacles to the efficient movement of capital into sustainable investments.
- Minimum standards and a common methodology for EU climate transition benchmarks and EU Paris-aligned benchmarks will counteract the current situation where different categories of low-carbon indices used as benchmarks for low-carbon portfolios have caused a certain degree of fragmentation and lack of clarity for investors and consumers.
- By establishing uniform rules for low-carbon benchmarks to measure the performance of investment portfolios, such a move will help contributing to better transparency and help prevent greenwashing. In addition, an increasing number of investors will be able to pursue true low-carbon investment strategies.
- It is important to set clear deadlines for benchmark providers; to align underlying assets with the long-term global warming target (EU Paris-aligned Benchmark) and to select, weight, or exclude underlying assets issued by companies that follow a decarbonisation trajectory (EU Climate Transition Benchmark).

The Norwegian Consumer Council will encourage making benchmarks as widely available as possible for consumers. In Norway, since January 2008, the Finance Portal ([www.finansportalen.no](http://www.finansportalen.no)) has been an online service aiming to give consumers the power and opportunity to make good choices in the financial services market. The portal consists of digital tools that help consumers to compare banking, pension, insurance and investment products. We are currently discussing the possibility to expand the information available on the portal with ESG-ratings for equity funds, and would surely welcome the introduction of a set of benchmarks aimed at distinguishing sustainable investments from investments that does not meet such criteria. If we succeed,



the Norwegian Finance Portal could possibly serve as an inspiration for an all-European digital solution in this field.

The Norwegian Consumer Council will point out that the costs of climate change on people and the economy are both evident and clear. The toll on nature and on human life will be significant in the years to come if we do not succeed in limiting global warming to 1.5°C. The question is how the world will respond to the challenge: We could either delay to take action and pay more, or we could plan ahead, take action and prosper. The Norwegian Consumer Council will suggest that we choose the second path.

In the years ahead, it will be vitally important to reorient capital flows towards sustainable investments and sustainable growth. Therefore, we welcome the scope and ambition of the proposals set forth by both the European Commission and the Council of the European Union.

Oslo, 8<sup>th</sup> October 2019

Best regards,  
The Norwegian Consumer Council

Jorge B. Jensen (s.)  
Head of Section Finance

Copy:  
BEUC, Rue d'Arlon 80, B-1040 Brussels, Belgium