

DUFAS feedback on extending EU Ecolabel to institutional investors

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Support for the development of an EU Ecolabel

DUFAS supports the development of a pan-European Ecolabel for investment products distributed across the EU. Generally speaking, DUFAS is not against extending the scope of the voluntary EU Ecolabel to professional investors.

Part of the DUFAS members are in favor of extending the EU Ecolabel due to the following factors:

- Extending the scope allows financial products specifically for professional investors to be eligible for the EU Ecolabel.
- The EU Ecolabel can provide professional investors **guidance without the need to assess underlying sustainability-related strategies**.
- The social and governmental criteria provide **better safeguards** than the minimum safeguards in the EU Taxonomy.
- The current formula for calculating portfolio greenness **limits exposure to greenwashing risks in the transitional sectors**.

Recommendations

To further avoid additional burdens on sustainability front-runners, the DUFAS members suggest **avoiding separate reporting requirements** under the Ecolabel. Instead, the reporting could be integrated with existing reporting requirements under the SFDR. We also recommend to align the reporting requirements with the impact concepts of the SFDR.

To increase the acceptance of the EU Ecolabel for professional investors, DUFAS suggest to further **align the environmental exclusions with criteria for significantly harmful activities of the (extended) EU Taxonomy**. The additional layer of exclusions increases the burden on sustainability front-runners and risk reducing the uptake of the EU Ecolabel. DUFAS suggest to cross-reference the environmental criteria with the Taxonomy DNSH criteria.