

## GFANZ Index Investing Consultation Paper Final Survey Questions

Thank you for completing this survey on voluntary guidance on the development and adoption of “transition-informed” indices which support real-economy decarbonization. The paper this survey refers to can be found [here](#).

All responses will remain confidential and will not be attributed to you or your organization. GFANZ may compile and release anonymized survey results, along with a summary of comments that will not identify individual respondents.

Please do not include any information in your comments that could be considered commercially or competitively sensitive. GFANZ will only ask for your contact details if you are willing to discuss survey responses in more detail. Should you have questions about the survey or wider consultation process, please contact [inquiries@gfanzero.com](mailto:inquiries@gfanzero.com).

Please provide as much information as you are able to help us understand your feedback. The survey closes January 9th, 2025. If you choose to respond to the survey using this PDF, please submit your completed survey to Sam Morton at [smorton@gfanzero.com](mailto:smorton@gfanzero.com).

### About You

1. First Name:
2. Last Name:
3. Email:
4. Your current role:
5. Name of your organization:
6. Type of organization: (select one)

Academic or research institution

Government/public sector

Industry/trade association

Real-economy company

Bank

Asset owner

Asset manager

Exchange

Index provider

Data provider

Other

***For multiple choice questions, please indicate your choice by marking the appropriate box. For open response questions, please use the text boxes provided.***

### **Relevant frameworks**

1. Are there other initiatives and/or frameworks (such as the IIGCC and NZAOA) that should be highlighted and explored to help steer key concepts in this paper?

Yes

No

### **‘Transition-Informed’ Index Categories**

1. Do you think the progression from relatively inclusive “transition-potential” and “transition-engaged” indices to exclusive “net-zero” indices will encourage companies to align with the transition to net zero (by providing a launch point and time-bound criteria)?

Yes

No

2. Are there additional ideas to consider for developing a “launch point” index while various participants progress toward their own alignment with the transition to net zero?

Yes

No

3. What additional considerations may be relevant to mitigate greenwashing risk for “transition-potential” and “transition-engaged” indices?
  
4. Regarding time-bound limitations of inclusion for Equities and Fixed Income, what might be a realistic cutoff suggestion (e.g., 2035 or 2050) and why?
  
5. For how many years should a “transition-informed” index be similar in constituency to a base index before it starts to differ? Why?
  
6. Is there a concern if the “transition-informed” indices differ substantially from the parent benchmark at day 1? Is there a risk of green-washing if the difference is minimal? Please explain your answer.
  
7. How should reduction in weight be implemented?
  - Option 1: By only non-including new issues beyond a maturity threshold
  - Option 2: Through reduction in weight across all bonds from the issuer
  - Option 3: By limiting inclusion to only new green, social and sustainability bonds while retaining existing bonds
  - Other:

8. Are there additional ideas on the content/design aspects of Figure 3 “Categories and potential timeline of “transition-informed” indices”?

**Suggested key considerations for “transition-informed” index investing**

1. From an investor perspective, what are the potential impacts from shifting to a “transition-informed” index (e.g., could there be an impact on investment metrics, such as on emissions reduction targets)? What steps might investors consider as a consequence (e.g., adjustment of metrics to focus on changes in emissions instead of absolute emission numbers to support transition to net zero)?
2. Should non-inclusion in an index be viewed as the option of last resort if a company is not demonstrating progress to align with the transition to net zero?
  - Yes
  - No
3. From an investor perspective, how important is it for the index criteria and rules to maintain sector and country neutrality while reallocating to sector-leading companies?
  - 1 - Not important
  - 2 – Somewhat important
  - 3 - Important
  - 4 - Very important
  - 5 - Extremely important

## Voluntary “Transition-Informed” Index Adoption

1. What other considerations and suggestions will support voluntary adoption of “transition-informed” index investing strategies by asset owners, asset managers and other investors? Are there specific considerations for specific types of investors?
2. Are there any areas of further work to help expedite the adoption path by investors?
  - Yes (*please elaborate*)
  - No

## Transition-related data

This consultation paper aims to provide a list of data that index participants may consider assessing in order to make an informed decision on a company’s continued inclusion in a “transition-engaged” index. Survey respondents are requested to review Table 1 and Matrix 1 in the consultation paper and consider the following questions:

1. Should additional classifications be recognized?
  - Yes (*please elaborate*)
  - No
2. Are there classifications that should not be included?
  - Yes (*please elaborate*)
  - No

## Engagement

1. What is the role of engagement in “transition-informed” index investing? In your view, to what extent do engagement efforts by index participants deliver real value in driving real-economy decarbonization?
2. In your view, what are the most effective engagement levers to encourage index constituent companies to align with the transition to net zero? Where can index participants improve the engagement approach to encourage transition to net zero?
3. In the case of Equities, are voting rights an effective lever to support transition?  
 Yes  
 No

## Development of a “transition-informed” index

1. For fixed income specifically, how should reduction in weight be implemented - e.g., by not including new issues beyond a maturity threshold, through reduction in weight across all bonds from the issuer, by limiting inclusion to only new green, social and sustainability bonds while retaining existing bonds?



### Equity considerations

1. Should companies be prioritized for escalated engagement activities in order to scale and accelerate real-economy decarbonization? What factors should be considered in order to identify priority companies?

Yes (*please elaborate*)

No

2. Is there a role for “transition-informed” indices to play in embedding transition to net-zero objectives into the normal asset allocation processes?

Yes (*please elaborate*)

No

### **Net-zero transition plans**

1. To what extent, if any, should there be a convergence around methodologies for assessing the credibility and implementation of a company’s net-zero transition plan? What metrics or methodologies could be used?

### **Final Question**

1. Please provide any final input below.