PENSIONS EUROPE

PensionsEurope comments on the IFRS Sustainability Board

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1. **PensionsEurope comments on the proposed amendments to the Constitution to create a new sustainability standards board.**

General remarks

PensionsEurope welcomes the opportunity to comment on the IFRS Foundation Exposure draft (ED) which proposes amendments to the IFRS Foundation Constitution that would enable the creation of a new sustainability standards board under the governance of the Foundation. PensionsEurope believes that broadening the scope of the IFRS to include non-financial / sustainable reporting standards is a step in the right direction both from the perspective of international companies as well as pension funds. Considering that the IFRS sets international accounting and reporting standards, this can ensure comparability in this area between different Jurisdictions.

PensionsEurope believes that the current fragmentation is confusing and extremely complex. As a result, there is an immediate need to ameliorate the consistency and comparability of sustainability reporting.

Ideally, PensionsEurope advocates for the development of the ESG reporting internationally and at all levels of the economy to fulfil the existing data gap. The proposed amendments to the Constitution can enable IASB, as the international point of reference for Accounting and Reporting, to execute efficiently this specific role and become equally the point of reference for Non-Financial Reporting.

PensionsEurope is satisfied that the process is overseen by the Trustees, who are in turn accountable to a Monitoring Board of public authorities. Its membership includes IOSCO, the European Commission, the US Securities and Exchange Commission and others. To us, it is crucial that the G7 countries actively participate in the development of non-financial / sustainable reporting standards. In general, PensionsEurope is in favour of the establishment of a global baseline of sustainability-related disclosure standards to meet investor needs, which would be made available for use by jurisdictions as a base for public policy needs. This approach would provide global comparability for investors in a way that allows jurisdictions to combine the international standards with their own additional requirements.

However, the EU is currently taking the lead on ESG data with the SFDR and the CSRD. As a result, PensionsEurope feels that the European experience could be used to influence the content of the future international workstreams.

To conclude, PensionsEurope welcomes the initiatives and the proposed amendments and will continue monitoring the new relevant developments and initiatives.

About PensionsEurope

PensionsEurope represents national associations of pension funds and similar institutions for workplace and other funded pensions. Some members operate purely individual pension schemes. PensionsEurope has **24 member associations** in 17 EU Member States and 4 other European countries[1].

PensionsEurope member organisations cover different types of workplace pensions for over **110 million people.** Through its Member Associations PensionsEurope represents more than **€ 4 trillion of assets** managed for future pension payments. In addition, many members of PensionsEurope also cover personal pensions, which are connected with an employment relation.

PensionsEurope also has **25 Corporate and Supporter Members** which are various service providers and stakeholders that work with IORPs.

PensionsEurope has established a **Central & Eastern European Countries Forum (CEEC Forum)** to discuss issues common to pension systems in that region.

PensionsEurope has established a **Multinational Advisory Group (MAG)** which delivers advice on pension issues to PensionsEurope. It provides a collective voice and information sharing for the expertise and opinions of multinationals.

What PensionsEurope stands for

- A regulatory environment encouraging workplace pension membership;
- Ensure that more and more Europeans can benefit from an adequate income in retirement;
- Policies which will enable sufficient contributions and good returns.

Our members offer

- Economies of scale in governance, administration and asset management;
- Risk pooling and often intergenerational risk-sharing;
- Often “not-for-profit” and some/all of the costs are borne by the employer;
- Members of workplace pension schemes often benefit from a contribution paid by the employer;
- Wide-scale coverage due to mandatory participation, sector-wide participation based on collective agreements and soft-compulsion elements such as auto-enrolment;
- Good governance and alignment of interest due to participation of the main stakeholders.

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[1] EU Member States: Austria, Belgium, Bulgaria, Croatia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden. Non-EU Member States: Iceland, Norway, Switzerland, UK.