PensionsEurope comments on EFRAG Due Process Procedures on EU Sustainability Reporting Standard-Setting

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General remarks

PensionsEurope welcomes the opportunity to comment on the consultation regarding the EFRAG Due Process Procedures on EU Sustainability Reporting Standard-Setting.

Over the last years, there has been a clear trend in the pensions sector towards responsible investments. Considering the importance of sustainability reporting, we are ready to engage in the process of developing sustainable reporting standards and to share our expertise with EFRAG and other involved parties.

The European Commission's proposal for a Corporate Sustainability Reporting Directive (CSRD) envisages the adoption of EU sustainability reporting standards (ESRS). The proposal for a CSRD requires that EFRAG's Technical Advice is prepared with 'proper due process, public oversight and transparency, and with the expertise of relevant stakeholders. Moreover, it should be accompanied by cost-benefit analyses which include analyses of the impacts of the Technical Advice on sustainability matters', contributing to the delegated acts through which the EU Sustainability Reporting Standard will be adopted in the EU.

Transparency and due processes when preparing technical advice are crucial in ensuring that the advice itself will be sound and legitimate. We, therefore, appreciate EFRAG's openness and stakeholder involvement

Climate change is a pressing political issue that requires swift political action. We note that this urgency is reflected in the consultation paper as well. However, we would like to stress the importance of leaving stakeholders sufficient time to respond to public consultations. Discussions have to take place at two levels: first, national associations need to discuss within their membership and then bring that to the EU level association. Consequently, members of the EU level association need to discuss to find common ground. Therefore, sufficient time should be given for stakeholders to respond.

In sustainable finance, the issues and therefore also the legislative and non-legislative actions taken by the EU are interlinked. While not mentioned in the current document, the development of sustainability reporting standards is linked to the development of the European Single Access Point. Content-wise, the two projects should be consistent. As a result, we expect regular exchanges ensuring this consistency as well as reaping synergies in the process of developing the future EU Sustainability Reporting Standard.

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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 **22 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.