PensionsEurope comments on the ISSB exposure draft of climate-related disclosures

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General remarks

PensionsEurope welcomes the opportunity to comment on the exposure draft of climate-related disclosures that would result in the creation of the first thematic standard of the new International Sustainability Standards Board (ISSB). PensionsEurope believes that the creation of thematic sustainability standards is a step in the right direction both from the perspective of international companies as well as pension funds. The upcoming creation of international sustainability reporting standards 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.

PensionsEurope advocates for the development of ESG reporting internationally and at all levels of the economy to fulfil the existing data gap. The proposed standard can execute efficiently this specific role and become equally the point of reference for Non-Financial Reporting. 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.

Our understanding is that IORPs are not the main subject to the upcoming standards themselves because it is not possible to invest in them in the narrow sense and thus no information has to be given to investors. Nevertheless, pension funds need information on the companies they invest in across the spectrum of asset categories. Therefore, PensionsEurope supports the development of global standards in a way which respects the principle of proportionality. If the information outlined in the drafts is required to be reported by small pension funds, this would add a significant amount of work and an additional burden for small pension funds that essentially already outsource most or a significant part of their business.

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

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PensionsEurope has **25 member associations** in 18 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 **€ 7 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 **19 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, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Portugal, Romania, Spain, Sweden. Non-EU Member States: Iceland, Norway, Switzerland, UK.