

FOR IMMEDIATE RELEASE

Brussels, 10 August 2022

EUROPEAN SUSTAINABILITY REPORTING STANDARDS – EFAMA HIGHLIGHTS THAT ALIGNMENT AND INTEROPERABILITY WITH GLOBAL STANDARDS ARE KEY

EFAMA, the organisation representing the investment management industry in Europe, has stressed that global alignment of sustainability reporting standards will be necessary to ensure clarity for investors as Europe moves towards a zero emissions economy by 2050.

Vincent Ingham, Director of Regulatory Policy at EFAMA, stated “As key users of company sustainability reports, asset managers recognise the vital importance of high-quality, standardised and relevant sustainability disclosures from companies they invest in, which is what EFRAG is aiming to achieve with their European Sustainability Reporting Standards (ESRS). At EFAMA, we broadly support the content of EFRAG’s recent Exposure Drafts for ESRS and have made some specific recommendations for improvements to be taken into account when finalising the guidelines.”

In our [consultation response](#), we stress the importance of ‘double materiality’ – disclosing economic, social and environmental impact in addition to financial impact – to allow for well informed and beneficial investor decisions in alignment with the EU Sustainable Finance Framework. While the EFRAG Exposure Drafts include this principle, the ISSB standards under development do not. Interoperability between EFRAG’s ESRS and ISSB disclosures would reduce reporting burden for both users and preparers and further the goal of a clear global standard. EFRAG has already shown admirable commitment to this ideal, however more can still be achieved here. When it comes to minimising the amount of irrelevant data reported, the principle of ‘rebuttable presumption’ will provide clear benefits to users of these sustainability reports (for instance asset managers). However, to ensure the burden of justifying these exclusions is not impractically high for reporting entities, publication of a materiality matrix and subsequent audit reviews should be sufficient evidence.

As a member and staunch supporter of EFRAG, EFAMA will continue contributing to the discussion around sustainability reporting standards, as this is a key topic for asset managers and investors going forward.

- END -

Note to the Editor

EFRAG Exposure Draft on ESRS : <https://www.efrag.org/lab3?AspxAutoDetectCookieSupport=1>

For more information contact:

Hayley McEwen

Head of Communications & Membership Development

EFAMA

Hayley.McEwen@efama.org

+32 486 24 34 85



ABOUT EFAMA

EFAMA is the voice of the European investment management industry, which manages over EUR 30 trillion of assets on behalf of its clients in Europe and around the world. We advocate for a regulatory environment that supports our industry's crucial role in steering capital towards investments for a sustainable future and providing long-term value for investors. More information available at www.efama.org.

More information is available at www.efama.org