

INVESTOR STATEMENT OF SUPPORT FOR EU CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

23 September 2021

The Principles for Responsible Investment (PRI) and its 54 undersigned signatories (representing approximately 9.2 trillion USD in AUM) welcome the European Commission’s proposal for a new Corporate Sustainability Reporting Directive (CSRD) revising the Non-Financial Reporting Directive (NFRD), and its aim to elevate sustainability information to the same level as financial information. The CSRD proposal is a prime example of policy coherence between investor and corporate disclosure obligations, building an end-to-end disclosure framework that will enable investors to scale up their contribution to the EU Green Deal and wider sustainability goals.

Investors regularly report to the PRI that a lack of consistent and comparable sustainability information is a substantial barrier to their responsible investment practice. For investors selling and/or marketing products in the EU, access to comparable, consistent and high-quality corporate sustainability disclosure is even more important to meet the increasing sustainability-related disclosure requirements under regulations such as the Sustainable Finance Disclosure Regulation (SFDR) and EU Taxonomy.

In this statement we set out six key aspects of the CSRD proposal which co-legislators should take into consideration to align the CSRD with the EU sustainable finance strategy and enable investors to actively contribute to the EU’s high ambition for a green recovery and emission reduction targets of at least 55% by 2030 and carbon neutrality by 2050.

Scope extension

We welcome the extension of the scope of companies reporting under the CSRD to all large companies and all companies listed on regulated markets (except listed micro-enterprises). Investors need sustainability information from all large public interest and listed companies. However, the scope of the CSRD should be increased further to include non-listed SMEs from ‘high-risk sectors’. This is particularly important for fixed income and private equity investors. Too many exceptions could pose a risk to both investors and investees; an investor might need to exclude certain investees from its’ portfolio given a lack of disclosure on material sustainability information. This limits portfolio scope for investors and reduces funding opportunities for certain companies.

Double materiality and integrated reporting

We fully support the principle of double materiality in the CSRD proposal and the clarifying language in the proposed Directive. Information on a company’s impacts on society and the environment is increasingly needed by investors, particularly when seeking to respond to disclosure requirements such as the SFDR. We therefore also support the proposal to integrate sustainability information into the annual management report alongside financial information.

Assurance

Sustainability information is material for investment-decision making and reported information needs to be accurate and reliable. Therefore, we welcome the introduction of an EU-wide assurance requirement and encourage co-legislators to provide a clear timeline for moving from limited assurance to reasonable assurance as soon as possible.

Standards setting

We welcome the mandate provided to EFRAG and the development of European sustainability reporting standards. This is expected to increase the consistency and comparability of reported information. These standards should reflect Europe's high ambition in sustainable finance and contribute to international standard-setting initiatives driven by IFRS and IOSCO to establish a global common baseline on enterprise value creation.

Single Electronic Reporting Format

We welcome the single electronic reporting format described in the CSRD proposal as it will enable investors to use and compare reported information more easily. In addition, this format will support the initiative on the establishment of a European Single Access Point (ESAP) for financial and sustainability information publicly disclosed by companies. The ESAP can enhance data accessibility and credibility and therefore help investors identify ESG risks and opportunities, understand sustainability performance in the context of social and environmental goals and implement sustainable finance disclosure obligations.

Timeline

A rapid conclusion of negotiations is of high importance to investors. There is a need to ensure that sustainability information is available in a timely manner to ensure that financial market participants can fulfil their own disclosure obligations.

For further conversation and follow up, please feel free to contact our policy team:

- Elise Attal, Head of EU Policy: elise.attal@unpri.org
- Hazell Ransome, EU Policy Analyst: hazell.ransome@unpri.org

ABOUT THE PRI

The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of 4,000 investor signatories (representing more than \$120tn in assets under management) in incorporating these factors into their investment and ownership decisions.

SIGNATORIES

Rogier Krens
Chief Investment Officer
Achmea Investment Management

Martin Abrahamsson
CEO
Aktie-Ansvar AB

Carina Silberg
Head of Governance and Sustainability
Alecta

Lauren Compere
Managing Director
Boston Common Asset Management

Rocío Fernández
Chief Risk & Compliance Officer (CRCO)
Altamar Cam Partners

Emmanuel Gavaudan
CEO
**Boussard & Gavaudan Investment
Management LLP**

Jean-Jacques Barbéris
Head of Institutional and Corporate Clients
Division & ESG
AMUNDI

Yuko Lemura
Project Manager
Brawn Capital Limited

Åsa Mossberg
Senior sustainability strategist
Andra AP-fonden (AP2)

Faith Ward
Chief Responsible Investment Officer
Brunel Pension Partnership Ltd

Mr Filippo di Naro
Chief Investment Officer
Anima Sgr

John Streur
President and CEO
Calvert Research and Management

Francesco Sola
Head of Group Sustainable Investments and
Governance
Assicurazioni Generali Group

Karin Pasha
Head of Sustainability, The Netherlands
Cardano

Clémence Humeau
Head of RI Coordination and Governance
AXA IM

Maurizio Agazzi
CEO
Cometa Pension Fund

Mads Berendt Søndergaard
Head of Responsible Investments
BankInvest

Gudmund Killi
Managing partner
Credo Partners

Alice Evans
Co-Head of Responsible Investment
BMO Global Asset Management (EMEA)

Degas Wright, CFA
Chief Investment Officer
Decatur Capital Management, Inc.

Karine Hirn
Partner
East Capital Group

Brad Barth
Deputy Chief Investment Officer
Grandeur Peak Global Advisors

Craig Martin
Chief Pensions Officer
Environment Agency Pension Fund

Marie-Pierre Peillon
Head of Research and ESG Strategy
Groupama Asset Management

Bruce Duguid
Head of Stewardship
**EOS at Federated Hermes, on behalf of
stewardship clients**

Mats Lagerqvist
CEO
Indecap Holding

Therése Lennehag
Head of Sustainability
EQT AB

Leon Kamhi
Head of Responsibility
**The international business of Federated
Hermes**

Charlotte Ekanger
CFO
Equip Capital AS

Joseba Orueta
CEO
Kutxabank Gestion SGIIC SAU

Sylvia Solomon
Director of ESG and Business Development
Equitable Investments Ltd.

Alexander Burr
ESG Policy Lead
Legal & General Investment Management

Vincent Kaufmann
CEO
Ethos Foundation

Kyle Coulam
Director of Sustainability
Lyrical Partners, L.P.

Emilie Westholm
Head of Responsible Investments and
Corporate Governance
Folksam

Ladislav Smia
Head of sustainability research
MIROVA

Stephanie Maier
Global Head of Sustainable and Impact
Investment
GAM Investments

Navindu Katugampola
Managing Director, Global Head of
Sustainability
Morgan Stanley Investment Management

Stefan Klohammar
CIO
Movestic Liv & Pension

Maria Letmark
Sustainability Manager
SPK Pension Tjänstepensionsförening

Cecilia Bevik-Cronqvist
Head of Sustainable Investing
Nordic Credit Partners

Kamil Zabielski
Head of Sustainable Investments
Storebrand Asset Management

Katarina Carlbring
COO
Nordkinn Asset Management

Tore Andersen
CEO
Storm Capital Management AS

Clarisse Simonek
Head of Responsible Investment
Ossiam

Reynir Indahl
Managing Partner
Summa Equity

Daniel Sachs
CEO
PCP

Pia Gisgård
Head of Sustainability & Corporate Governance
Swedbank Robur

Hartwig Liersch
Chief Investment Officer
Pensioenfonds Metaal en Techniek

Anne Amanda Bangasser
Director
Treehouse Investments, LLC

Roger Lewis
Head of ESG
The River and Mercantile Group

Jennie Ahrén
Head of ESG/Partner
Tundra Fonder

Patrik Jönsson
Senior Sustainability & Engagement Specialist
SEB Investment management

Emma Englén
Sustainability Manager
Spiltan Fonder