

ESAP targeted consultation - additional comments

Dutch Fund and
Asset Management
Association

1) Start with ESG-data for SFDR and the EU Taxonomy

DUFAS believes that an ESAP can only be operational and successful in the short term if the scope of regulations is limited. For asset managers the priority is to have access to high quality, comparable ESG-data related to regulations like SFDR and the EU Taxonomy as detailed disclosures will be required for asset managers from 2022 onwards.

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The first-stage ESAP roll-out should take place no later than the first half of 2023 like the High-Level Forum recommended in June 2020 to make sure that ESAP can be used for SFDR and Taxonomy disclosures.

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2) Definition of ESG data fields and metrics

A second important point is that the definitions of the data fields in ESAP are aligned with European regulations like the PAI indicators for SFDR and metrics for the Taxonomy Regulation like revenue and CAPEX alignment of companies.

When other ESG data field are included, it is important to look for alignment with frameworks outside the EU to increase comparability of data. Although full harmonization of non-financial/ESG data will take time, various initiatives for standards are in development. We refer to both the recent recommendations by EFRAG for a sustainability reporting standard as well as the plans by the IFRS Foundation in this area.

Data should be collected as much as possible on a 'raw data level'. This means that ESAP should not be too prescriptive on definitions and/or formulas, for example for the calculation of GHG-intensity.

3) Alignment of ESAP with databases in other jurisdictions

Thirdly, DUFAS believes that it is useful if the EU explore opportunities to align the ESAP with other international databases like Edgar in the US. The initiative by SASB for of a XBRL Taxonomy could also be studied. Aligning databases increases the harmonization of data and increases access to data in other jurisdictions. The areas of alignment could be:

- definition of data fields and metrics.
- the use of data format.
- procedures for quality checks and assurance.

4) Asset managers see more value in a database than in a broad repository

Finally, DUFAS sees more value in a database with well defined data fields than in a repository approach where investee companies can file regulatory documents (like Edgar). Retrieving information from separate documents filed by investee companies can be time-consuming, especially when a large number of companies needs to be analyzed like for a large investment portfolio. An ESAP which includes individual data fields in a machine-readable format enables asset managers to quickly process data from a large number of entities.