



To: Mr Patrick de Cambourg
Sustainability Reporting Chair
EFRAG

Our ECO-CORP-23-084

reference:

Subject: Insurance Europe Consultation input to EFRAG's Comment Letter on ISSB Request for Information on Agenda Priorities

Brussels, 25-07-2023

Dear Patrick,

Insurance Europe, the European insurance and reinsurance federation, welcomes the opportunity to contribute to EFRAG's comment letter on the International Sustainability Standards Board (ISSB) request for information on Agenda priorities issued on 4 May 2023. European Insurers broadly support the draft comment letter prepared by EFRAG and would like to highlight particular priority areas.

Given the European context in the field of sustainability reporting, we would like to emphasize the crucial role that **interoperability with European Sustainability Reporting Standards (ESRS)** plays in achieving harmonization and consistency in sustainability reporting practices across the globe. Interoperability should be a priority criterion when developing new sustainability reporting requirements. The establishment of a robust and internationally recognized framework, compatible with the with ESRS, would greatly facilitate comparability and transparency, enabling market participants, including insurance companies, to accurately assess and communicate their sustainability performance. Incorporating interoperability with the ESRS into the ISSB's agenda priorities will foster a cohesive reporting landscape, driving sustainable development and investor confidence.

Investor demand for sustainability information is ever growing and goes beyond climate related considerations. As Europe's largest institutional investors, we call on the ISSB to **work on all sustainability aspects** (human capital, human rights, biodiversity, etc...) to **establish at least a minimum set of requirements and create a global baseline** in those fields. Again, interoperability and proportionality of reporting requirements are vital to ensure a wide adoption of the standards globally.

Furthermore, ensuring **connectivity of reporting requirements between financial and sustainability information** is a high priority. Establishing a conceptual framework that would clarify what can and cannot be connected between financial and sustainability reporting is crucial. Current differences in the scope, users, controls, time horizons, and units of measurement make connectivity difficult to achieve. While some differences are justified, clarity on the convergences and divergences between reporting frameworks should be sought. We suggest that the ISSB and the IASB work together, in cooperation with EFRAG, to build on the work already carried out by the IASB on the Integrated Reporting Framework and the Management Commentary Exposure draft focusing on the convergences and divergences, in order to maximize the consistency of reporting models.

On the internationalisation of SASB standards, Europe's insurers believe it is imperative to **revise and extend the SASB definitions of business sectors** to encompass all existing types of economic activity. As the driving force behind the development of all standards, SASB standards have an important role to play, in particular in sector based ESRS standards for European countries; they must therefore cover economic activities worldwide to make them internationally applicable. The SASB definitions should include an assessment of the risks and opportunities associated with each sector of activity to better define and adjust key indicators. The revision of these sector definitions will favour the interoperability with ESRS, GRI and SEC standards.



Finally, we would like to stress the importance of **providing appropriate implementation guidance** for the ISSB standards. As sustainability reporting frameworks continue to evolve rapidly, insurance companies face challenges in navigating the complex landscape and ensuring compliance with evolving requirements. Clear and concise guidance from the ISSB will be instrumental in assisting insurers in understanding and applying the standards effectively.

We remain committed to actively engaging with EFRAG and other stakeholders to contribute our expertise and support the development of robust and internationally recognized sustainability reporting standards. We remain at your disposal should you require any further information or clarification.

Yours sincerely,

A handwritten signature in black ink that reads "Olav B. Jones". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Olav Jones