

Brussels, 6 April 2022

**Subject: Ensuring a future-proof sustainability reporting framework that supports meaningful transition efforts**

**Dear Ms. McGuinness,**

We are writing to you on behalf of the sustainable investment industry, as represented by Eurosif, the European Sustainable Investment Forum, and the Principles for Responsible Investment (PRI) to emphasise the need for a CSRD framework that promotes meaningful transition efforts on the part of companies and provides investors with effective tools to steer capital towards sustainability leading companies.

During the lead up to COP26, and since, an increasing number of companies have made public commitments to reach 'net-zero' by 2050. While this trend is encouraging, it is often difficult for investors to assess the extent to which these commitments are science-based and underpinned by credible climate scenarios due to a lack of relevant and comparable data at company-level. This problem was clearly articulated by UN Secretary General Antonio Guterres at COP26 who made closer scrutiny of companies' net-zero commitments a key priority for 2022.

As climate change is likely to accelerate, increasing climate-related physical and transition risks, companies' plans to decarbonise is becoming material information for investors. Therefore, investors need comprehensive information on how companies intend to decarbonise their operations and value chain. The CSRD presents a unique opportunity to bring such transparency.

**It is crucial that, at the end of the trilogue negotiations, CSRD mandates companies to prepare transition plans and disclose the scenarios used for these plans as well as the key assumptions underpinning these scenarios.** These requirements should, as a bare minimum, apply to companies with a net-zero by 2050 commitment.

To conclude, a CSRD that does not contain robust, granular requirements around net-zero commitments would be a missed opportunity for the EU to future proof its sustainability reporting framework and equip investors with the tools they need to finance the net-zero transition.

We stand ready to assist the European Parliament, the Council and the European Commission in the trilogue negotiations to ensure the CSRD sets the bar for global sustainability reporting standards and provides investors with the transparency they need to finance the ambitious objectives of the EU Green Deal.

We look forward to working with you in achieving this objective and we thank you in advance for your consideration.

**Signed**

**Victor Van Hoorn**

A handwritten signature in black ink, appearing to be "V. Van Hoorn".

**Executive Director  
Eurosif**

**Margarita Pirovska**

A handwritten signature in blue ink, appearing to be "M. Pirovska".

**Director of Policy  
PRI**



## **About Eurosif**

Eurosif, the European Sustainable Investment Forum, is the leading pan-European sustainable and responsible investment (SRI) membership organisation. Based in Brussels, its mission is to promote sustainability through European financial markets. Eurosif works as a partnership of Europe-based national Sustainable Investment Fora (SIFs) with the direct support of their network which spans over 400 Europe-based organisations drawn from the sustainable investment industry value chain. These organisations include institutional investors, asset managers, financial services, index providers and ESG research and analysis firms totalling over €20 trillion in total assets. Eurosif's main mission is of a general interest as it represents a multistakeholder vision of sustainable investment, supported by philanthropic foundations. Eurosif works on public policy, research and creating platforms to foster best practices in sustainable investment.

## **About PRI**

The Principles for Responsible Investment (PRI) is the world's leading initiative on responsible investment. The PRI is a not-for-profit company with over 4,700 signatories (pension funds, insurers, investment managers and service providers) to the PRI's six principles, with approximately US \$121 trillion in assets under management. The PRI supports its international network of signatories in implementing the Principles. As long-term investors acting in the best interests of their beneficiaries and clients, our signatories work to understand the contribution that environmental, social and governance (ESG) factors make to investment performance, the role that investment plays in broader financial markets and the impact that those investments have on the environment and society as a whole. The PRI works to achieve this sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; by fostering good governance, integrity and accountability; and by addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation.

C.C.; Mr. Peter Power, Head of Cabinet,  
Mr. Sven Gentner, Head of Unit, FISMA.C.1