

Consultation response

Comment letter to the International Financial Reporting Standards (IFRS) Foundation consultation on sustainability reporting

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3 trillion in 2019, directly supports more than 4.9 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

Comment letter to the IFRS Foundation consultation on sustainability reporting

The American Chamber of Commerce to the EU's Sustainable Finance Task Force would like to make the following comments to the IFRS Foundation's Consultation on Sustainability Reporting:

AmCham EU's Sustainable Finance Task Force approach to sustainable finance is rooted in three principles: **regulatory certainty** and economic stability to enable sustainable growth, an **evidence-based and data driven approach** to policy which includes stakeholders from industry and civil society, and **international openness** to ensure Europe continues to be able to access investment from around the world.

We therefore welcome the initiative of the IFRS Foundation to improve the consistency and comparability of sustainability reporting. We recognize the benefits that such a project could have in terms of reducing global fragmentation in this space. We believe that international cooperation and greater consistency in sustainability reporting standards would help financial markets to better integrate sustainability risks and opportunities.

We do believe that market demands will continue to evolve and enhance the comparability of disclosure. However, a global set of sustainability-reporting standards through the creation of a Sustainability Standards Board (SSB) has the potential to provide more comparable and accessible corporate disclosure on sustainability, reduce administrative burdens, and deliver more decision useful information.

It will be important to work with all jurisdictions especially those that are developing or have developed existing frameworks on sustainability reporting. This engagement is particularly critical where discussions are at a more mature stage, such as with the upcoming review of the EU's Non-Financial Reporting Directive (NFRD).

While the complexity of existing frameworks should be reduced as a result of this initiative, we believe that existing sustainability frameworks and standards provide a useful foundation for this initiative. We would therefore support alignment of any SSB to frameworks that have already been adopted by the market, such as the Task Force on Climate-Related Financial Disclosure (TCFD), the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI). In this context, we support the proposed approach for the SSB to focus on climate-related reporting in the first instance, which could then be expanded to include additional ESG factors as part of a gradualist approach. This approach would help to increase the effectiveness and impact of international convergence, whilst avoiding duplication.

In addition, we understand the proposal to take a gradualist approach to the question of materiality while recognizing the need to take account of evolving approaches to this issue in certain jurisdictions, notably in Europe. However, we invite the IFRS Foundation to explore commonalities and interoperability between different materiality approaches so that global convergence remains possible over the long term, recognising that different jurisdictions are at different levels of maturity on their sustainable finance agenda. We also invite the IFRS Foundation to examine how to allow reporting to take account of national requirements for company reporting, including how and where the information is presented.

AmCham EU's Sustainable Finance Task Force would like to thank the IFRS Foundation for the constructive approach outlined in its consultation paper. We believe that the suggested initiative represents an opportunity for meaningful progress in the field of standardizing sustainability disclosure at the international level.

About AmCham EU

AmCham EU represents over 150 companies of American parentage – from a wide range of sectors – committed to and invested in Europe. The Sustainable Finance Task Force brings together banks, financial intermediaries, energy, and industrial companies to engage with EU policy makers on the challenge of tackling the energy and climate transition.