

The Securities and Exchange Commission

17 June 2022

The Enhancement and Standardization of Climate-Related Disclosures for Investors

This letter has been drafted by the European Insurance CFO Forum (“CFO Forum”), a high-level discussion group formed and attended by the Chief Financial Officers of 23 of Europe’s largest insurance companies. Accordingly, it represents the consensus view of a significant element of the European insurance industry.

The Securities and Exchange Commission (“Commission”) is proposing for public comment amendments to its rules under the Securities Act of 1933 (“Securities Act”) and Securities Exchange Act of 1934 (“Exchange Act”) that would require registrants to provide certain climate-related information in their registration statements and annual reports.

European Insurance CFO Forum position paper on question 189 of the Commissions’ consultation

Question 189: An International Sustainability Standards Board (ISSB) has recently been created, which is expected to issue global sustainability standards, including climate-related disclosure standards. If we adopt an alternative reporting provision, should that provision be structured to encompass reports made pursuant to criteria developed by a global sustainability standards body, such as the ISSB? If so, should such alternative reporting be limited to foreign private issuers, or should we extend this option to all registrants? What conditions, if any, should we place on a registrant’s use of alternative reporting provisions based on the ISSB or a similar body?

Answer:

The CFO Forum **strongly encourages the adoption of an alternative reporting provision structured to encompass reports made pursuant to criteria developed by the ISSB** from the beginning, among others, for the following reasons:

- The CFO Forum and its member companies **fully and actively support the newly established International Sustainability Standards Board (ISSB)** and its endeavor to develop a global baseline for sustainability reporting to apply across the globe.
- This would allow to establish an **‘equivalence mechanism’** without any additional provisions, which would be highly valuable for both preparers and users of sustainability information:
 - Aligning the SEC and ISSB regimes is essential **to reduce preparers’ reporting burden and costs.**
 - It is absolutely essential that users have access to **high-quality, comparable and reliable sustainability information worldwide.**

In addition, we believe that **the alternative reporting mechanism should not be limited to foreign private issuers but apply for all registrants to avoid double reporting burden for US players** who would, otherwise, likely often have to report both under the SEC regime (for regulatory purposes) and the ISSB regime (given anticipated market demands).

More generally, the CFO Forum deems it is fundamental that the future reporting framework of the **SEC is fully consistent and compatible/interoperable with the global baseline of the ISSB, at least where they cover the same contents.** Indeed, the CFO Forum would strongly welcome an **explicit adoption of the ISSB baseline to help future-proof climate reporting** and mitigate the risk of future

divergence in climate reporting requirements, anticipating that the ISSB Standards will evolve over time based on materiality assessments (i.e., instead of a mere equivalence mechanism).

Please note that the CFO Forum and its members have also **strongly advocated for full interoperability and alignment with the global baseline when it comes to the EU sustainability reporting standards (ESRS)** that are currently being drafted by EFRAG and will use EFRAG's consultation to emphasize the need for a global baseline and our support of the ISSB endeavor as well.

Yours faithfully

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European Insurance CFO Forum