

ALLIANZ POSITION

12 March 2021

EU COM CONSULTATION ON ESAP

We appreciate the opportunity to comment on the EU COM's consultation on the establishment of a European Single Access Point (ESAP) for financial and non-financial information publicly disclosed by companies. We strongly support this initiative as we deem ESAP as an important step to improve the availability and accessibility of data, facilitate their processing and analysis, and reduce fragmentation. This paper summarizes the Allianz Group's key positions on the considerations outlined in the consultation document and the questions posed therein.

NO NEW REPORTING REQUIREMENTS

We highly welcome the EU COM's objective that ESAP should neither come along with own/new/additional reporting requirements nor change any existing reporting requirements, but solely represent the database and reporting system to comply with existing and upcoming reporting requirements. This should apply with view to all relevant dimensions, including actual information to be reported as well as timing, frequency and language. Accordingly, non-public data should not be in scope of ESAP.

UPFRONT CLARIFICATION AND STANDARDIZATION OF RELEVANT REPORTING REQUIREMENTS

We believe that ESAP can only be fully implemented and actually lead to benefits if the relevant reporting requirements are fully

clarified and a sufficient level of standardization has been achieved. This is particularly relevant with view to sustainability information. In our view, it needs to be ensured in advance that there is clarity regarding all requirements, approaches, methods, definitions and parameters relevant under the respective legislations (namely, in particular, the Non-Financial Reporting Directive (NFRD), the Sustainable Finance Disclosure Regulation (SFDR) and the EU Taxonomy) in order to ensure comparability. In a similar vein, the reporting requirements need to be sufficiently standardized (e.g. through possible EU sustainability reporting standards under the NFRD). Finally, streamlining and consistency between all relevant EU legislations needs to be achieved in advance, both in terms of content and timing of disclosure.

AVOIDANCE OF FRAGMENTATION

We strongly suggest for the EU to take interlinkages between ESAP and existing (EU and national) legislations into account from the beginning and to a reasonable and sufficient extent, especially with view to (a) the "file-only-once" principle, (b) national differences in how EU legislations are implemented, and (c) national standard-setting activities. As to (b) and (c), ESAP should not only cover the EU minimum base. This would (again) result in fragmentation of the information relevant for users and reduce acceptance and relevance of ESAP at

national level, and, thereby, also severely jeopardize the feasibility of a "file-only-once" principle. This clearly requires close dialogue and collaboration with member states.

PHASED-IN APPROACH AND REASONABLE IMPLEMENTATION TIMEFRAME

As the implementation of ESAP will likely require both a significant set-up period from the provider perspective and a significant implementation period from the preparer perspective, a reasonable timeframe and phased-in approach should apply where a trade-off is required in terms of both scope and data format.

PRIORITY ON SUSTAINABILITY DATA AND STANDARDIZED PERIODIC FINANCIAL DATA

In terms of scope, reporting of sustainability information should be a key priority as for this type of information, stakeholders face the most significant difficulties in accessing, comparing and using companies' data. At the same time, comprehensive access to sustainability information is essential, in particular, for the financial sector to be able to comply with its specific disclosure requirements under the SFDR and the EU Taxonomy. In addition, certain standardized, well-established and periodic financial information to be reported by companies across industries should be in scope from the outset as well, as (a) (more) standardization has already been achieved in this area, (b) initiatives such as the European Single Electronic Format (ESEF) can be leveraged, (c) many of the periodically reported financial information is commonly used for automated data analysis and across-company comparisons, and (d) (a selection of) the financial information is interconnected with the abovementioned sustainability information.

INITIAL VERSION AS SOON AS POSSIBLE

As to data format, access to information in ESAP on its own (i.e. not yet in a standardized and machine-readable format) would also be beneficial and superior to the current status quo. Therefore, implementation

should not be delayed until a complete database and reporting system is developed. Rather, an initial version should be established as soon as possible that at least allows companies to make file uploads and classify them accordingly. In further due course, where possible, the data should be retrievable in a structured form and allow for automated data analysis. However, the EU should aim at formats and processes that are associated with a proportionate/reasonable effort for preparers as well as address how to deal with disclosures for which tagging is less or not feasible/appropriate given the nature of the information or the cost of implementation in relation to the respective benefit for users. Where deemed suitable/necessary, more flexible digitization requirements should be taken into consideration (e.g. for narrative sections).

OPTION OF VOLUNTARY REPORTING FOR NON-MANDATED COMPANIES

While facilitated data access for a broad range of EU firms would already be a valuable first step, the financial sector, in particular, needs sustainability information for all investees and clients worldwide. Thus, other companies, including non-EU companies, should be able to report in ESAP as well. This would also contribute to the global relevance of the EU sustainability reporting set-up and potentially increase transparency efforts by companies that would otherwise provide less or no information. This should, however, only apply for information that would be comparable.

ALIGNMENT WITH EXISTING DIGITIZATION INITIATIVES

Finally, we greatly welcome the EU COM's ambition to take interlinkages with other initiatives regarding digitization and data access, such as ESEF in the area of financial information, into account. Where there is potential for synergies or for building on existing initiatives, this should be leveraged as much as possible. This is not only critical to achieve timely progress, but would also leverage synergies and previous efforts already undertaken by preparers to the highest possible degree.