

Annex 1: Companies' access to "upstream" data

The increased demands and legal requirements for companies to disclose on environmental, social and governance (ESG) issues has increased calls by companies for common standards and methods, tools and better access to data, which they need to be able to disclose in a transparent, structured and standardized manner. The establishment of a European Single Access Point to companies' non-financial information can give the financial sector better access to ESG data.

However, at the same time it is important to point out that the ESAP only address the "downstream" part of the chain of ESG data. With the expanding variety of ESG issues that companies are expected and required to report on, collecting the needed data to do so, is an increasingly complex and demanding task, requiring the use of considerable resources by companies.

While the proposed ESAP will give better access to information for the financial sector, more is needed to ensure that companies are able to disclose reliable information in the first place, as the information requested is not information that companies hold today.

The Danish government therefore stresses that similar initiatives are needed aiming at giving better access to the data needed by non-financial companies. One such example of data needed, is data on direct and indirect emissions of CO₂ equivalents of a wide range of both energy and non-energy resource consumption throughout value chains, i.e. allowing companies to assess their carbon footprint in scopes 1, 2 and 3 of the Green House Gas Protocol. This is just one example of data that companies currently struggle to access.

Just as the Commission has proposed an ESAP to increase data access, the Danish government calls on the Commission to thoroughly map companies' need of external data and to bring forward proposals aimed at giving companies better access to the external data needed for ESG reporting.

Failure to ensure companies' access to data in this "upstream" part of the data chain runs the risk that neither non-financial companies or financial companies will be able to fulfill the reporting requirements under the EU taxonomy regulation or the Disclosure regulation in a meaningful way. This will have negative implications for the overall efforts of achieving the aims of the sustainable finance strategy and the European Green Deal.

While we understand that this is outside the scope of ESAP, we recommend the Commission to look into this important issue, for instance in the context of the establishment of a Green data space.