

FESE Response to EFRAG consultation on European Lab future projects

27th September 2019

Information required on proposed projects

(i). Please rank the proposed project topics outlined in paragraphs 12 to 36 above by order of priority, and explain your selection with details of the distinct added value you would expect of a potential European Lab project on each topic:

Project 1.1 - Reporting on human rights and other social matters in the supply chain

Highest

Medium

Lower

Reasoning for your selection and ranking:

n/a

Project 1.2 - Reporting on human capital management

Highest

Medium

Lower

Reasoning for your selection and ranking:

n/a

Project 1.3 - Reporting on human capital and social capital impacts of climate adaptation and mitigation policies

Highest

Medium

Lower

Reasoning for your selection and ranking:

n/a

Project 2 - Reporting of non-financial risks and opportunities, and linkage to the business model

Highest

Medium

Lower

Reasoning for your selection and ranking:

This topic allows companies to explain how their business model is able to evolve to reflect the challenges and opportunities posed by ESG criteria.

Project 3 - Reporting on the materiality assessment process and outcomes for Environment, Social and Governance (ESG) matters

Highest

Medium

Lower

Reasoning for your selection and ranking:

We believe that the focus should be on one project at a time, in order to ease adoption of good practices, across all companies and stakeholders. Should a choice be made, in our view this project on the reporting on the materiality assessment process and outcomes for ESG matters should have the highest priority given it is in line with investors' expectations and ongoing work by the European Commission.

(j) Are there other topics that you advise the European Lab to add to its agenda? If so, please provide a description of the topic and the priority you would assign to it:

n/a

(k) Please provide any details of interaction you may be aware of with the work of other initiatives, in respect of the topic you rank as highest priority:

n/a

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At the end of 2018, FESE members had 8,660 companies listed on their markets, of which 13% are foreign companies contributing towards the European integration and providing broad and liquid access to Europe's capital markets. Many of our members also organise specialised markets that allow small and medium sized companies across Europe to access the capital markets; 1,323 companies were listed in these specialised markets/segments in equity, increasing choice for investors and issuers. Through their RM and MTF operations, FESE members are keen to support the European Commission's objective of creating a Capital Markets Union.

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