



## Press Release

### ESG pressure on real and financial industry increases massively – BAI demands more sense of proportion

- European Commission releases extensive package of measures for Sustainable Finance
- European Climate Taxonomy will be a benchmark starting January 1<sup>st</sup> 2022
- New directive for sustainability reporting of corporations will also apply to medium-sized companies in the future
- Delegated legal acts for the fund and financial industry take shape and challenge the industry; hence, restraint regarding, e.g., AIFMD-review is required
- Contemporary ESG issues are in the spotlight of the BAI Alternative Investor Conference from April 27 to 30, 2021

Bonn, April 22, 2021. To the **Bundesverband Alternative Investments e.V. (BAI)**, the central representative of the alternative investments industry in Germany, the recently released package of measures from the European Commission displays a milestone for the Green Deal, however, it requires a differentiated evaluation. Overall, the legal acts presented by the European Commission have to be assessed as positive but the challenges for the real and financial industry regarding the implementation are immense, not just timewise.

In respect of the revision of the Non-Financial Reporting Directive (NFRD), BAI Managing Director **Frank Dornseifer** sees a direct connection to previous criticism: “Our criticism regarding the first draft of the disclosure directive by the RTS was based on the fact that intermediaries were obligated to collect and provide information to investors, information which does not even fully exist yet. In that case, the blame would undoubtedly but wrongfully be passed to the financial industry. Now, the real economy has to carry that burden on a larger scale.”

From the BAI’s perspective, the new directive for sustainability reporting of corporations remedies and also helps intermediaries to fulfill their own disclosure requirements. Together with the second and revised version which was published in February, this is rated as a big step forward but it also means that many medium-sized companies will have to fulfill the disclosure requirements. The BAI

will now shift its focus to make sure to reach a coherent approach, so that the taxonomy will be completed in the first step and consequently the RTS disclosure directive shall be applicable, of course following the principle of proportionality. Due to the alteration and significant expansion of its area of application (the EU-commission expects that around 50,000 corporations have to follow the new standards), the NFRD will be renamed to *Corporate Sustainability Reporting Directive (CSRD)* and has to be implemented into national law by December 1, 2022. The goal is to generate European-wide harmonized and comparable sustainability reports in which non-financial information has the same significance as financial information.

Regarding the total package, **Frank Dornseifer** further comments: “With the delegated legal acts which were passed yesterday by the European Commission, the requirements for the fund and financial industry take shape. The scope certainly is on the AIFM- and UCITS-directive and the implementation will require a major effort. The European Commission should keep that in mind and very carefully contemplate whether and to which extent e.g., the review of the AIFM directive needs to be tackled. Applying a sense of proportion is essential. Furthermore, the BaFin should withhold with respect to transitional standards or similar for sustainable funds and financial products, respectively.”

The BAI dedicates a special theme day on April 29, 2021, to ESG and Sustainable Finance within the virtual Alternative Investor Conference next week, featuring a keynote presentation about Green Investments held by the member of the Council of Economic Experts Prof. Dr. Veronika Grimm, expert contributions for the integration of ESG risks into the investment and risk process of investors and investment companies, as well as the panel “ESG – From Awareness to Success”.

More information about the conference can be found under <https://www.ai-conference.com>

**Press Contact:**

Bundesverband Alternative Investments e.V. (BAI)

**Frank Dornseifer**

Managing Director

Poppelsdorfer Allee 106

53115 Bonn

Tel.: +49 (0)228-96987-50

[dornseifer@bvai.de](mailto:dornseifer@bvai.de)

[www.bvai.de](http://www.bvai.de)

[Follow us on Twitter](#)

The Bundesverband Alternative Investments e. V. (BAI) is the central interest group of the alternative investments industry in Germany. The federation understands itself as catalyst between professional German investors and recognized offerers of alternative Investments products world-wide. It is committed to ensuring that German institutional and professional investors are able to diversify their capital investments more easily and effectively with regard to alternative investments, in particular with a view to securing German old-age provision in the long term. The BAI promotes public awareness and understanding of alternative investments and is committed to scientific research. It conducts a dialogue with political decision-makers and the responsible supervisory authorities and cultivates exchanges with national and international organisations and associations. The association pursues the goal of achieving legal reforms and further legal education in the interests of its members and their investors and of creating attractive and internationally competitive framework conditions for investing in alternative investments. The circle of BAI members recruited from all areas of the professional alternative investment business has grown to 240 businesses.