

Cover Note

ESRS G2 – list of comments and changes to the draft

Background

- 1 EFRAG ran a public consultation on 13 ESRS Exposure Drafts (EDs) from the end of April 2022 to the 8 of August 2022. The comments received are available at the following link: [News - EFRAG](#).
- 2 EFRAG run a number of outreach events with different stakeholders from different countries in June and July 2022.
- 3 The consultation was structured in two different Surveys:
 - (a) Survey 1 covers the general approach to the standards, contents of ESRS 1 and prioritisation/phasing-in and it also includes one question per each of the other 12 ESRS EDs;
 - (b) Survey 2 covers the detailed content of 12 ESRS EDs (excluding ESRS 1), with a number of sub-questions covering different aspects per each disclosure requirement.
- 4 EFRAG SRB received a presentation of the comments received in a joint meeting with the EFRAG SR TEG on 8 September. The document used for this presentation can be found [here](#).
- 5 EFRAG has outsourced the analysis of comments received in the public consultation to an external consultant. Their report will be made publicly available in due course. A draft of the report for Survey 1 has been made available the EFRAG Secretariat to allow to progress in the subsequent analysis.

Purpose of this session

- 6 To discuss and approve the proposed detailed course of action to address the comments from the public consultation, including identification of topics that need to be further discussed (with the support of issue papers and SR TEG discussions) before a specific change to the standard is actually defined and agreed upon.

EFRAG Secretariat assessment and recommended course of actions per each question in Survey 1

- 7 The EFRAG Secretariat has conducted an assessment of the comments received in the public consultation. **Agenda Paper 05-02** presents the outcome of this assessment for both G1 and G2. Each comment the papers document the proposed course of action, with the following wording conventions:
 - (a) No action: the EFRAG Secretariat acknowledges the comment, however does not consider necessary or appropriate to propose a change and the reasons for this are explained in the column 'EFRAG Secretariat comments'.
 - (b) To be discussed: the EFRAG Secretariat considers that, due to different views that exist between different categories of stakeholders or due to the low support rate of this question in the statistics from the consultation or due to the complexity of the topic, a dedicated technical discussion is needed before a change to the draft standards can be defined in detail and agreed upon. The column 'Issue paper needed?' shows where the topic will be covered. The issue papers will be presented at future SR TEG/SRB meetings (some of them have been already discussed in SR TEG/SRB at this stage).

- (c) To be aligned: the EFRAG Secretariat proposes to modify the text of the standard as illustrated in the column 'EFRAG Secretariat comments'.
- (d) To be considered: the EFRAG Secretariat proposes to consider this suggestion when finalizing the standard (differently from 'to be aligned', here the comment does not allow to identify immediately the change but further consideration is needed, without triggering a SRB discussion as the point is not as complex or controversial as it would be for the 'To be discussed').
- (e) Ongoing: the assessment/change to the standards is in progress.

EFRAG Secretariat assessment and recommended course of actions per each disclosure requirement

- 8 The EFRAG Secretariat has conducted an assessment of the individual disclosure requirements for each standard based on the feedback received to date, including the results of the public consultation. **Agenda Paper 06-03** presents the outcome of this assessment together with recommendations on the categorisation of the disclosure requirements for aspects such as sector-specificity and phase- in together with possible recommendations or operational complexity.

Agenda Papers

- 9 **Agenda Paper 05-02** which covers the respective questions in Survey 1 (only questions where open comments were provided).
- 10 **Agenda Paper 06-03** which covers the respective questions in Survey 2 (only questions where open comments were provided).
- 11 **Agenda Paper 06-04** is provided for background purposes only and presents the general structure of the survey.

Questions to SR TEG members and observers

12 The EFRAG Secretariat proposes no major changes to the standard, but would like to confirm whether SR TEG agrees to keep the following DR's (given mixed results, or not in CSRD):

- (a) G2-3 on Prevention and detection of corruption and bribery;
- (b) Anti-competitive behaviour as in G2-4 and G2-7;
- (c) G2-5 on Anti-corruption and anti-bribery training; and
- (d) G2-8 Beneficial ownership.

13 The EFRAG Secretariat proposes the following:

Mandatory DRs	Phasing in
G2-1	G2-8 – subject to agreement to keep DR
G2-2 – to be determined by SRB	Phasing in of the payment data (paragraph 50(a)) of G2-10
G2-5	
G2-8 – subject to agreement to keep DR	

Do you agree with these proposals?

- 14 Does EFRAG SR TEG agree to keep G2-1 on business conduct culture, or should this be changed to corporate culture to keep closer to the provisions of CSRD?
- 15 Although alignment on G2-6 and G2-7 with GRI was already discussed on 5 September, given the comments about burden, does EFRAG SR TEG have further proposals for amendments?
- 16 Does EFRAG SR TEG agree that CSRD requires ESRS to go further than GRI 415 or do you propose amendments to the requirements?
- 17 Does SR TEG agree that the AG of ESRS G2-10 be strengthened to explain that the information required while it may be an average, cannot just be calculated from balance sheet/income statement information, but needs some form of tracking?
- 18 Do you have any other comments on this assessment, i.e. agenda papers 05-02, 06-03 and 06-04?