

## PRESS RELEASE

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### SUCCESSFUL LAUNCH OF THE PROJECT ON PREPARATORY WORK FOR THE ELABORATION OF POSSIBLE EU NON-FINANCIAL REPORTING STANDARDS

With a kick-off meeting on 11 September and a second plenary meeting on 28 September, the Project Task Force (PTF-NFRS) has started its ambitious mission of undertaking preparatory work for the elaboration of possible EU non-financial reporting standards.

*Brussels, 29 September 2020:*

Following the [4 September announcement on the composition of the PTF-NFRS](#), a **first plenary meeting was held on 11 September** with the participation of more than 70 people, to officially launch the work on the project. Five European Commission (EC) Directorates-General were also involved to present the EC legislation and initiatives that are relevant for the technical advice, the EC is expecting from the PTF-NFRS.

The meeting was addressed by **Jean-Paul Gauzès**, EFRAG Board President and Chairman of the European Lab Steering Group highlighting that: *“EFRAG is very honoured by the trust of the European Commission and is sure that the project is in the best hands to lead to success, with the leadership and strong expertise of Patrick de Cambourg.”*

The **approved workplan and organisation of the PTF-NFRS**, presented by **Patrick de Cambourg**, PTF-NFRS Chair, is based on the following three-phase approach:

**Phase 1 – Assessment** will occur until the end of October. For this phase, the PTF-NFRS has been split into six streams, each of them focusing on a specific aspect of the overall scope of work, as stated in the mandate and as follows:

- A1 - EU non-financial information requirements momentum and coherence; responsible for mapping all current, developing and expected European initiatives having non-financial requirements and/or implications. This stream will interact closely with the relevant European Commission’s policy departments.
- A2 - Possible input from existing initiatives; responsible for mapping and assessing international initiatives and identifying relevant elements in close cooperation with these organisations.
- A3 - Conceptual framework for non-financial information; responsible for reviewing, analysing and assessing core structural elements of framework nature.

- A4 - Interconnection between financial and non-financial information; responsible for identifying financial information limits and mapping the complementarity of the two dimensions of corporate reporting.
- A5 - Focus on non-financial information for financial institutions; responsible for assessing the current situation and identifying issues specifically linked to asset management, banking and insurance activities.
- A6 - Current non-financial information reporting practices and formats; responsible for assessing management reporting practices and digitisation progress, as well as identifying hurdles for stakeholders, especially for small and medium sized enterprises.

**Phase 2 – Proposal** will start at the beginning of November and last until the end of December 2020. During this phase, possible scenarios will be designed, detailed recommendations elaborated, and formal outreaches initiated.

**Phase 3 – Outreach and Conclusion** will take place in January 2021 to finalise the recommendations and integrate feedback from key stakeholders before the delivery of the final report by 31 January.

**Patrick de Cambourg** noted that the deep commitment and willingness to contribute to the project of all PTF members were very positive. All members, contacted prior to the kick-off meetings, are in full agreement with an immediate set-up of the activities and are ready to contribute both at the stream and overall project levels.

**Alain Deckers**, Head of Unit, Corporate reporting, audit and credit rating agencies at the European Commission and Vice-Chair of the European Lab Steering Group, insisted on the importance of coordination and consistency between the recommendations that would be produced by the PTF-NFRS and the range of initiatives at the European Commission level, within the broader Sustainable Finance policy. He also added: *“There are valuable contributions from many other initiatives. We welcome all public and private standard-setters from across the world working together with the EU.”*

During its **second plenary meeting on 28 September**, the PTF-NFRS shared progress reports from all streams. The streams confirmed their specific objectives, discussed and agreed their respective workplans and considered their interactions. They all benefit from the support of a secretariat generously provided by constituents and stakeholders.

*“With the swift implementation of the kick-off decisions, the project task force is fully operational and has clearly started defining the key characteristics of the possible EU non-financial standard-setting”*, **Patrick de Cambourg** concluded.

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Notes for editor:

1. Press Release regarding the EFRAG mandate to provide recommendations on possible European non-financial reporting standards is available [here](#).
2. Contact details: a. For more information about EFRAG please contact: EFRAG, 35 Square de Meeûs, B-1000 Brussels. Tel: +32 (0)2 207 93 00; [info@efrag.org](mailto:info@efrag.org)
3. About EFRAG ([www.efrag.org](http://www.efrag.org))
  - a. The European Financial Reporting Advisory Group's (EFRAG) mission is to serve the European public interest by developing and promoting European views in the field of financial reporting and ensuring these views are properly considered in the IASB standard-setting process and in related international debates. EFRAG ultimately provides advice to the European Commission on whether newly issued or revised IFRS meet the criteria in the IAS Regulation for endorsement for use in the EU, including whether endorsement would be conducive to the European public good. EFRAG stimulates innovation in corporate reporting through the European Reporting Lab@EFRAG's work in sharing good practices, which also complements and contributes to our work on financial reporting.
  - b. EFRAG seeks input from all stakeholders, and obtains evidence about specific European circumstances, throughout the standard-setting process and in providing our endorsement advice. Our legitimacy is built on transparency, governance, due process (which may include field tests, impact analyses and outreaches), public accountability and thought leadership. This enables EFRAG to speak convincingly, clearly and consistently, and be recognised as the European Voice in financial reporting.
4. About the European Lab ([click here](#))
  - a. The European Corporate Reporting Lab @EFRAG (European Lab) was established by EFRAG following the call by the European Commission in its March 2018 [Action Plan on Financing Sustainable Growth](#). The European Lab serves the European public interest and its objective is to stimulate innovation in the field of corporate reporting in Europe by identifying and sharing good reporting practices through:
    - facilitating dialogue between preparers, users and other relevant stakeholders; and
    - documenting the content and outcomes of this dialogue in reports and other means and making them available in the public domain.
  - b. The European Lab has a multi-stakeholder Steering Group (European Lab SG) and under its direction project task forces may be established for specific projects (European Lab PTFs).

## 5. About the PTF-NFRS

Following the request for technical advice issued by the European Commission (EC) mandating EFRAG to undertake preparatory work for possible EU non-financial reporting standards in a revised Non-Financial Reporting Directive (NFRD), the European Lab Steering Group (European Lab SG) has appointed a multi-stakeholder Project Task Force (PTF) to operate the project and act in the public interest.

The appointed PTF incorporates a balanced representation of a broad range of stakeholders with a legitimate interest in non-financial information, spanning the public sector, the private sector, SMEs and civil society from across the EU, in line with the EC request for technical advice.

The project is operated by the PTF within the European Corporate Reporting Lab @EFRAG (European Lab) and is expected to be completed in early 2021 with a progress report to be released at the end of October 2020. The term of appointment of the PTF is for the duration of the project

