



EFRAG UPDATE

August 2022

The EFRAG Update is published on a monthly basis to inform constituents about due process publications, public technical discussions held and decisions taken during that month.

WEBINARS AND ON-LINE OUTREACHES

Danish outreach event on *Better Information on Intangibles*

On 22 August 2022, EFRAG, the Confederation of Danish Industry (DI) and FSR – Danish Auditors held a public outreach event in Copenhagen on EFRAG’s DP *Better Information on Intangibles – Which is the best way to go?*

The programme is available [here](#).

For more details, please see the [EFRAG website](#).

OPEN CONSULTATIONS

Title and description	Closing date
Academic study on the effects of IFRS 15 <i>Revenue from Contracts with Customers</i>	TBD

For more information, please see [EFRAG's consultations page](#).

EFRAG FINANCIAL REPORTING BOARD (FRB)

The EFRAG FRB did not meet in August.

Next meeting

EFRAG FRB will hold a next webcast meeting on [18 October 2022](#).

[August 2022 written procedures](#)

The EFRAG FRB has not approved any documents using written procedures in August.

[Expected September 2022 written procedures](#)

The EFRAG FRB is not expected to approve any documents using written procedures in September.

EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (FR TEG)

EFRAG FR TEG did not meet in August.

Next meeting

EFRAG FR TEG will hold its next webcast meeting on [14 September 2022](#).



EFRAG'S SUSTAINABILITY REPORTING AND RELATED ACTIVITIES

EFRAG Governance Reform

The European Commission adopted in April 2021, a [legislative proposal for a Corporate Sustainability Reporting Directive \(CSRD\)](#) which would require companies within its scope to report in compliance with European Sustainability Reporting Standards ('ESRS') adopted by the European Commission as delegated acts.

On 30 June 2022, the CSRD text provisionally agreed between the European Commission, the Council and the European Parliament confirmed the role of EFRAG as technical advisor providing draft ESRS. The agreed text of the CSRD, which is still subject to legal review, is available on the [Council website](#).

At the [request of the European Commission](#) in the letter dated 12 May 2021 and in parallel to the adoption of the final legislative proposal, EFRAG has already carried out extensive work on key changes to its governance and funding.

EFRAG Sustainability Reporting Board (EFRAG SRB)

The EFRAG SRB had a webcast meeting on [15 August 2022](#) where the approach to materiality in the sector-agnostic draft ESRS and sector prioritisation for the sector-specific draft ESRS were discussed. A second webcast meeting took place on [26 August 2022](#) to receive updates on the meetings with the ISSB and to discuss the interoperability between the draft ESRS and IFRS S1 and S2. During the same meeting the EFRAG SRB considered the changes in the final text of the CSRD and the associated list of actions recommended by the EFRAG SR TEG for alignment. The EFRAG SRB also agreed to develop the sector-specific standards in three years and agreed on the list of sectors to be covered in the second set of ESRS (Exposure Drafts to be issued in the first half of 2023). These sectors are: Agriculture and Farming, Coal mining, Mining, Oil and Gas – mid to downstream, Oil and Gas – upstream, Energy production and utilities, Road transport, Motor vehicle production, Textiles, Accessories, Footwear and Jewelleries, Food and Beverages. Finally, the EFRAG SRB discussed the possibility to shorten the consultation period for Set 2 (Exposure Draft to be issued in the first half of 2023) in consideration of the exceptionally tight schedule for the preparation of the drafts.

A total of 10 meetings of the EFRAG SRB are scheduled to take place during the period of September to mid-November 2022 and additional meetings may be scheduled.

EFRAG Sustainability Reporting Technical Expert Group (EFRAG SR TEG)

The EFRAG SR TEG had a webcast meeting on [24 August 2022](#) for technical discussions on the approach to materiality in sector-agnostic draft ESRS, and on a proposed methodology for determining material topics in the forthcoming sector-specific draft ESRS. At its second meeting of the month that took place on 29 August 2022, EFRAG SR TEG discussed the results of the Use Test Focus Group carried out on the first set of ESRS in June and July with



preparers, possible changes to the architecture of the governance requirements in the draft ESRS, the incorporation of disclosure requirements by reference.

A total of 12 meetings of the EFRAG SR TEG are scheduled to take place during the period of September to mid-November 2022.

Public consultation

After a 100-day consultation period on the EFRAG Draft ESRS Exposure Drafts (Draft ESRS EDs), EFRAG closed its public consultation on the deadline of 8 August 2022, with more than 750 comment submissions in total.

A broad spectrum of stakeholders responded to the public consultation, mostly through the two-part online survey.

The EFRAG SRB and EFRAG SR TEG will now consider the comments received, as provided by the EFRAG Due Process Procedures. The resulting first set of Draft ESRS will then be handed over to the European Commission in November 2022 to be considered for adoption by way of delegated acts at a later stage.

The comment submissions received in response to the public consultation, to be taken into consideration by EFRAG SRB and EFRAG SR TEG, are made available through the links below:

- Submissions to the two-part online survey (please note it may take some time for contributions to display):
 - [Survey 1](#)
 - [Survey 2](#)
- [Comment letters uploaded to online survey](#)
- [Additional comment letters submitted to EFRAG](#)

It should be noted that the above data is as submitted by respondents to the consultation and may contain a limited number of duplicate or blank submissions.

Comments received after 8 August 2022 are available [here](#).

A feedback statement on the public consultation will be published in due course.

Other involvement in sustainability reporting

Platform on Sustainable Finance ('PSF')

The PSF did not meet in August. The Final Report prepared by subgroup SG5 on Data and Usability (in which EFRAG is observer) was submitted to all PSF members for comments in mid-July 2022 until 2 September.

The next plenary meeting of the PSF is scheduled on 13 and 14 September 2022; in which the SG5 Final Report is expected to be finalised and approved.