



EFRAG

Europe's voice in corporate reporting

MAY 2024



EFRAG UPDATE

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

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EFRAG UPDATE

May 2024

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.

EFRAG ADMINISTRATIVE BOARD

Physical meeting 21 May 2024

EFRAG Administrative Board members discussed EFRAG's Financial Reporting Due Process Procedures in a Public meeting with the objective of formalising the due process procedures currently applied for the financial reporting pillar (a due process is currently applied for financial reporting but formalised only at a high level in the EFRAG Internal Rules). A discussion and consultation with EFRAG FRB and EFRAG FR TEG will be followed. Thereafter the draft Due Process Procedures will be published for public consultation.

EFRAG'S FINANCIAL REPORTING ACTIVITIES

OPEN CONSULTATIONS

Title and description	Closing date
EFRAG's Draft Comment Letter on the IASB's ED <i>Business Combinations–Disclosures, Goodwill and Impairment</i> (Proposed amendments to IFRS 3, IAS 36)	28 June 2024

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

OPEN JOB POSITIONS

Title and description	Closing date
Financial Institutions Specialist - Financial reporting (Senior) Technical Manager (job description)	
Generalist - Financial reporting (Senior) Technical Manager (job description)	

WEBINARS AND ONLINE OUTREACHES

EFRAG and IASB educational sessions on IFRS 18 for corporates and financial institutions

The programmes are now available for the upcoming EFRAG & IASB educational sessions on IFRS 18. The interactive webinars will introduce the main requirements and focus on certain requirements set out in IFRS 18 *Presentation and Disclosure in Financial Statements*. Beside gaining a better understanding of the new requirements, the aim is to identify the resulting practical challenges.

- On **7 June 2024** (10:00- 13:00 CEST), the IASB, EFRAG & BusinessEurope invite stakeholders to participate in a joint webinar to introduce IFRS 18 for corporates and to support them in its implementation. Register [[here](#)] and download the program [[here](#)].
- On **11 June 2024** (9:00 - 12:00 CEST), the IASB, EFRAG, European Association of Co-operating Banks (EACB), European Banking Federation (EBF), European Savings and Retail Banking Group (ESBG) and Insurance Europe, invite stakeholders to participate in a joint webinar to introduce IFRS 18 for **financial institutions, insurance companies and conglomerates** and to support them in its implementation. Register [[here](#)] and download the program [[here](#)].

Both events are public and will be held online. A recording will be available on EFRAG's website.

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

Participation in Management Commentary Consultative Group (MCCG)

On 21 May, EFRAG participated as an observer in the Management Commentary Consultative Group (MCCG) meeting. The MCCG is an IASB consultative group providing advice on the *Management Commentary* project. In this meeting, project direction was discussed.

EFRAG FINANCIAL REPORTING BOARD (FRB) & EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (FR TEG)

Physical meeting

The EFRAG FRB and EFRAG FR TEG held a physical meeting on [15 May 2024](#) and discussed the following topics:

IASB Project *Primary Financial Statements - IFRS 18*

EFRAG FRB and EFRAG FR TEG discussed the EFRAG's endorsement process workplan including the industries to be covered in the impact assessment and the proposed timeline. Members highlighted that the endorsement process should be efficient based on the first (positive) feedback received after the publication of the standard and based on the significant feedback received during the consultation and redeliberation phase. The outreach results of recent years provide a rich basis for the assessment of the European endorsement criteria. The IASB decisions have been sufficiently discussed and assessed by various stakeholders. This feedback is now to be allocated to the individual endorsement criteria. The consolidated view after the publication of the standard may bring up additional aspects.

After the consultation on a draft endorsement advice to be published end of 2024 EFRAG intends to send the endorsement advice in Q2 2025 to the EC. The EFRAG Secretariat will liaise closely with the EC to coordinate the overall process.

EFRAG Research Project *Connectivity between Financial Reporting and Sustainability Reporting*

The draft interim deliverable paper (Connectivity considerations & Boundaries of different parts of the annual report) was presented to EFRAG FR TEG and EFRAG FRB members for publication approval. The members also received an update on examples development and possible outreach plans. Members acknowledged the educational value of the interim deliverable paper, they agreed that its timely publication would be useful for stakeholders, and they made recommendations for its enhancement and effective engagement with stakeholders. EFRAG FR TEG and EFRAG FRB members approved the publication of the interim deliverable in Q2 after consideration of the points raised at the meeting and also considering any comments provided by EFRAG SRB on 4 June 2024.

May 2024 written procedures

The EFRAG FRB has not approved any documents using written procedures in May 2024.

Expected June 2024 written procedures

The EFRAG FRB is not expected to approve any documents using written procedures in June 2024.

EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (FR TEG) & EFRAG USER PANEL

Physical meeting

The EFRAG FR TEG and EFRAG User Panel held a physical meeting on [14 May 2024](#) and discussed the following topics:

IASB Project *Business Combinations–Disclosures, Goodwill and Impairment*

Members received a presentation of EFRAG's Draft Comment Letter on the IASB's Exposure Draft on *Business Combinations–Disclosures, Goodwill and Impairment* that was published on 30 April 2024, and they provided their views on some aspects of the IASB's proposals for which EFRAG is seeking additional feedback.

No decisions were taken at the meeting.

IASB Project *Primary Financial Statements - IFRS 18*

Members were provided with an IASB educational session about the new requirement in IFRS 18 *Presentation and Disclosure in Financial Statements* and provided input on the assessment of the respective endorsement criteria. None of the preliminary issues resulting from all the discussions around the IASB's decisions were considered being blocking issues for the endorsement process.

EFRAG User Panel Members were asked about the overall assessment of the usefulness of the new requirements. Members noted that it will support their information needs. It will improve the presentation and disclosure by enhancing the structure of the P&L, the guidance on aggregation and disaggregation, Management Performance Measures disclosure will in one single note enable an easier retrieval of information. Some critical remarks were made about the labelling of the categories which is the same as for the cash flow statement without being aligned.

IASB Research Project *Post-implementation review of IFRS 16-Leases*

Members were provided with an overview of the current status of the EFRAG Secretariat preparatory work in anticipation of the IASB request for information relating to the post-implementation review of IFRS 16 and the preliminary feedback collected so far. Members generally agreed with the key messages presented by the EFRAG Secretariat. Users were asked for their input on the issues collected from preparers, auditors and National Standard Setters. They noted that IFRS 16 introduced more rigour in the lease accounting and, overall, resulted in entities providing more useful information. The main areas for improvements highlighted by EFRAG FR TEG members based on the preliminary information were the current requirements for sale and leaseback transactions, the guidance for assessing whether a contract is or includes a lease and the distinction between a lease and an in-substance purchase transaction.

No decisions were taken at the meeting.

EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (FR TEG)

Webcast meeting

EFRAG FR TEG held a webcast meeting on 15 May 2024 and discussed the following topics:

IASB Research Project *Post-implementation review of IFRS 9 - Impairment*

EFRAG FR TEG discussed the IASB staff feedback analysis, recommendations and the IASB tentative decisions on loan commitments and financial guarantee contracts; purchased or originated credit-impaired financial assets ('POCI'); and interaction of impairment requirements with other requirements.

EFRAG FR TEG generally agreed with the IASB tentative decisions not to perform standard-setting actions on loan commitments and POCI financial assets; to assign low priority for the issues reported by stakeholders on financial guarantee contracts and to consider interactions between impairment requirements in IFRS 9 with requirements relating to modifications, derecognition (including forgiveness) and write-off and requirements in other IFRS Accounting Standards within forthcoming *Amortised Cost Measurement* project. Members highlighted the importance to start this project as soon as possible.

No decisions were taken at the meeting.

IASB Project *Subsidiaries without Public Accountability: Disclosures*

EFRAG FR TEG members provided input on the Update of EFRAG Secretariat Briefing *Subsidiaries without Public Accountability: Disclosures*. Who would be able to apply it in the EU and discussed the process of updating the second Briefing, which would include a study on compatibility of the EU Accounting Directive with IFRS 19. The updated Briefings are intended to be published mid of June 2024 to inform stakeholders on how IFRS 19 might be applied in Europe and to support the decision making of the EC about sending an endorsement advice request for the recently published IFRS 19 to EFRAG.

No decisions were taken at the meeting.

Next meeting

EFRAG FR TEG will hold a next webcast meeting [3 June 2024](#).

EFRAG'S SUSTAINABILITY REPORTING ACTIVITIES

SELECTED NEWS

NEW EFRAG SR TEG COMPOSITION

After two years in operation in its inaugural composition, EFRAG SR TEG has been renewed. On 10 May 2024, EFRAG announced the new composition. EFRAG welcomes 12 new members: Robert Adamczyk, Kati Beiersdorf, Jean-Francois Coppenolle, Julia Kölzer, Jose M Moneva, Elena Philopova, Luis Piacenza, Vanya Rusinova, Olivier Scherer, Per Törnqvist, Antonino Vaccaro and Fiona Watson. The following 9 members are departing: Johan Dahl, Katerina Katsouli, Julie Mary, Julia Menacher, Chiara Mio, Maria Mora, Julian Muller, Thomas Schmotz, and Alexandra van Selm. 15 members, including Sigurt Vitols as Vice-Chair, are reappointed for a further mandate starting on **1 May 2024**. Chiara Del Prete also continues to serve as EFRAG SR TEG Chair, under a three year mandate.

For the complete news item please refer to the following [link](#).

PUBLICATIONS

IFRS FOUNDATION AND EFRAG PUBLISH INTEROPERABILITY GUIDANCE

On 2 May 2024, the IFRS Foundation and EFRAG have published guidance material to illustrate the high level of alignment achieved between the International Sustainability Standards Board's IFRS Sustainability Disclosure Standards and the European Sustainability Reporting Standards (ESRS) and how a company can apply both sets of standards, including detailed analysis of the alignment in climate-related disclosures. Having first worked during the development of the ISSB Standards and ESRS to deliver a high degree of alignment, this publication provides practical support that explains how companies can efficiently comply with both sets of standards. ESRS preparers are able to report on climate, also in compliance with ISSB Standards, only with a very limited number of points to consider, clearly identified in Section 3 of the guidance. This document also explains that ESRS preparers are able to utilize ESRS to comply with ISSB Standards to report on matters beyond climate.

Download the [guidance material](#).

Download the [press release](#).

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

UNOFFICIAL TRANSLATION OF THE VSME ED IN POLISH AVAILABLE NOW

On 10 May 2024, EFRAG announced that, in addition to unofficial translations in German, French, Spanish, Italian and Greek, an unofficial translation of the VSME ED is now available in Polish, facilitating the participation of Polish-speaking constituents in the public consultation and field test. The document can be found [here](#) and has been translated by the Polish Chamber of Commerce.

For more information on the VSME ED public consultation, please click [here](#).

For further details on the Greek translation, please visit the [EFRAG website](#).

EFRAG RELEASES NEW ESRS Q&A TECHNICAL EXPLANATIONS IN A COMPILATION OF THE TECHNICAL EXPLANATIONS ISSUED SO FAR

On 30 May 2024, EFRAG has published a compilation of 68 Explanations to address technical questions on the ESRS, including 12 Explanations already released on 5 February 2024 and 12 Explanations already released on 1 March 2024. These responses aim to provide practical and timely support to stakeholders in implementing ESRS. The Explanations are categorized in chapters based on their nature (Cross-cutting, Environment, Social, or Governance) and their Disclosure

Requirements, mirroring the ESRS structure. EFRAG will continue issuing Explanations following its due process, including on engagement from both EFRAG's Sustainability Reporting Board and Technical Expert Group in public discussions.

Download the [document](#).

Access the [ESRS Q&A Platform](#).

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

EFRAG RELEASES THE FINAL IMPLEMENTATION GUIDANCE IG 1 ON MATERIALITY ASSESSMENT, IG 2 ON VALUE CHAIN AND IG 3 ON ESRS DATAPPOINTS

On 31 May 2024, EFRAG has published the first three implementation guidance documents, after public feedback. These offer timely non-authoritative guidance to support undertakings and other stakeholders in the implementation of the ESRS, helping them to focus on the aspects of the standards that are more relevant to them and illustrating the reporting requirements with practical language and frequently asked questions. Issuing implementation support material is a priority in EFRAG's workplan. The three implementation guidance documents are accompanied by the respective feedback statements, illustrating how the public feedback has been incorporated in the final text.

- IG 1: Materiality Assessment Implementation Guidance provides illustrative materiality assessment process, and it develops the concept of impact and financial materiality with a number of examples, including how these two concepts interplay. It also contains FAQs on the double materiality assessment to provide practical implementation guidance on disclosing material impacts, risks and opportunities.
- IG 2: Value Chain Implementation Guidance outlines the reporting requirements for the value chain from materiality assessment to policies and actions to metrics and targets. It illustrates the reporting boundary of the group for sustainability reporting, including the concept of operational control in environmental standards. It includes FAQs and a 'value chain map' summarising value chain implications per disclosure requirement across all ESRS.
- IG 3: List of ESRS Datapoints translates the complete ESRS Set 1 list of detailed requirements in each Disclosure Requirement and related Application Requirements in Excel format. The file contains additional information, such as the types of requirement (for example, quantitative or qualitative) or whether these are subject to transitional provisions. This list can form the

basis for a data gap analysis or data collection exercise. An explanatory note accompanies the Excel file.

The documents and corresponding feedback can be found [here](#).

OPEN JOB POSITIONS

Title and description	Closing date
Social and Human Rights Reporting Specialists (employment and labour rights and due diligence)	24 June 2024
ESRS Sector Programme Experts and sector coordination (with different levels of seniority)	24 June 2024
Environmental Reporting Specialist	24 June 2024
Business Conduct and related Reporting Specialist	24 June 2024

For further details, please visit [the EFRAG website](#).

WEBINARS AND OUTREACHES

JOINT EVENT IN ITALIAN ON SMES VOLUNTARY SUSTAINABILITY REPORTING

On 10 May 2024, in Rome, OIC, EFRAG, Assonime and Luiss University hosted the joint outreach event "SMEs Voluntary Sustainability Reporting: EFRAG Exposure Draft and Data Demands from Financial Sector and Large Undertakings." The event featured key presentations by EFRAG SR TEG Chair Chiara Del Prete, and Deputy Director General of Assonime - Corporate Governance and Capital Markets Area, and OIC Representative at the EFRAG Sustainability Reporting Board Marcello Bianchi. Keynote speeches included: Stefano Cappiello, General Director of Directorate V "Regulation and supervision of the financial system" of Ministry of Economy and Finance, Chiara Mosca, Commissioner Consob, Francesco Cannata, Head of the Regulations and Macroeconomic Analysis Directorate - Directorate General for Financial Supervision and Regulation at Bank of Italy. Following the speeches, a panel discussion was moderated by Paolo Marullo Reedtz, Chair of the Committee for Sustainability Standards OIC. The event concluded with a Q&A session and closing remarks.

For further details, please visit the [EFRAG website](#).

EFRAG AND ANC JOINT EVENT - 'REPORTING DE DURABILITE POUR LES PME'

On 13 May 2024, EFRAG and Autorité des Normes Comptables (ANC) jointly organised a webinar titled "Reporting de durabilité pour les PME - Norme pour les

PME non cotées (VSME ED) : le projet de l'EFRAG". From EFRAG's side, the speakers included EFRAG SRB Chair Patrick de Cambourg, EFRAG SR TEG Chair Chiara del Prete, and EFRAG SR Senior manager Elisa Bevilacqua. From the ANC's side, speakers included ANC Chair Robert Ophèle and Director of Sustainability Reporting Standards Eric Duvaud. The event consisted of a presentation of the VSME ED, followed by a Q&A session.

For more information, please visit the [EFRAG website](#).

EUROPEAN COMMISSION EXPERT DIALOGUE ON HOW TO SUPPORT COMPANIES IN APPLYING THE ESRS

On 16 May 2024, the EC hosted an expert dialogue on how to support companies in applying the ESRS. The event brought together experts and practitioners from Member States, business and trade associations, companies, consultancies, auditors and other stakeholders. Its goal was to showcase ongoing initiatives and discuss ideas for further mechanisms to support companies that apply the new reporting standards. During the event, EFRAG SRB Chair Patrick de Cambourg, presented EFRAG's activities to facilitate the implementation of ESRS. The event was held in hybrid mode, both in person and virtually.

For further details, please visit the [EFRAG website](#).

EFRAG | ISSB JOINT EVENT UNLOCKING SYNERGY - INTEROPERABILITY GUIDANCE ON IFRS SUSTAINABILITY DISCLOSURE STANDARDS AND EUROPEAN SUSTAINABILITY REPORTING STANDARDS

On 23 May 2024, EFRAG and ISSB held a joint event titled "Unlocking Synergy: Interoperability Guidance on IFRS Sustainability Disclosure Standards and European Sustainability Reporting Standards." The event presented to the public the joint guidance demonstrating the high level of alignment between the European Sustainability Reporting Standards (ESRS) and the International Sustainability Standards Board's IFRS Sustainability Disclosure Standards, and how a company can apply both sets of standards. The event was held in hybrid mode, both in person and virtually.

The speakers included:

- Patrick de Cambourg, EFRAG SRB Chair
- Emmanuel Faber, ISSB Chair
- Chiara del Prete, EFRAG SR TEG Chair
- Sue Lloyd, ISSB Vice-Chair
- Alexandra Jour-Schroeder, Deputy Director, DG FISMA, European Commission

The recording is available on our [YouTube channel](#).

Download the presentation slides [here](#).

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

EFRAG SUSTAINABILITY REPORTING BOARD (SRB)

Meeting date	Topics covered
02 May 2024	<ul style="list-style-type: none"> Approval of the ISSB Interoperability map (public) Approve of IG1 Materiality Assessment (public) Approval of IG2 Value Chain (public) Approval of batch of Q&A (public) Drafting session on the Oil and Gas Exposure Draft (closed)
15 May 2024	<ul style="list-style-type: none"> Planning session for the Transition Plan Implementation Guidance (public) Approval of Q&A (public) Approval of ESRS-TNFD mapping (public)

The next EFRAG SRB meeting will be held on [4 June 2024](#).

ISSB Interoperability Mapping

On 2 May 2024, the EFRAG SRB approved the ESRS-IFRS interoperability mapping document without objections or abstentions. The European Commission (EC) representative expressed appreciation for the document in its current state. EFRAG and ISSB published the ESRS-ISSB interoperability map at noon on 2 May 2024. In addition, the EC released a press statement endorsing the publication later that afternoon.

Implementation support activities

IG 1 - Materiality assessment

On 2 May 2024, the EFRAG SRB approved MAIG document for public release with one abstention, subject to the changes agreed upon that day. The abstention was justified by the fact that a consolidated final version was not available at the time of the vote. The final decision was preceded by a presentation of the latest amendments to IG1 following the public consultation, reflecting prior feedback from EFRAG SRB strategic orientations and EFRAG SR TEG approval. The discussion focused on the comments provided in written form by some EFRAG SRB members, such as the possibility of identifying a material topic at a group level if it is not considered as such at the subsidiary level, or the need to differentiate between an

investment holding company and a conglomerate. The EFRAG SRB was to receive the markup of the final version a few days before its issuance.

IG 2 - Value chain

On 2 May 2024, the EFRAG SRB approved the document for public release without any objections or abstentions, subject to editorial changes. The EFRAG SRB was to receive the markup of the final version a few days before its issuance.

Q&A Platform

On 02 May 2024, the EFRAG SRB approved the first batch of categorisations prepared for this meeting (ID 830, ID 790 and ID 682). The second batch of categorisations is to be discussed and finalised in the next EFRAG SRB meeting on 15 May 2024.

On 15 May 2024, the EFRAG SRB approved further explanations (Paper 05-02). The explanations will be consolidated, along previously published explanations into a single document, organised by ESRS Disclosure Requirements and ESRS 1 chapters. This document will be updated as new explanations are approved by the EFRAG SRB.

Transition Plan

On 15 May 2024, the EFRAG SRB discussed the content of the Transition Plan IG (TP IG), its alignment with the Paris Agreement, the composition of the Advisory Group, etc. As for the content, the suggestions included leveraging the work already performed in this regard by other organisations. Moreover, EFRAG SRB members commented on the difference between aligning the TP IG with the Paris Agreement and having a TP that is compatible with it, as an element to be covered in the guidance. Noting the composition of the Advisory Group, where representatives of regulatory bodies sit, the EFRAG SRB members requested an appropriate involvement of preparers and SMS members in early stages of the drafting. Lastly, the EFRAG Secretariat noted that a longer feedback period will be needed as it will take place in summer.

Interoperability Mapping TNFD-ESRS

On 15 May 2024, the EFRAG SRB approved the ESRS-TNFD correspondence table, with no objections or abstentions. There was a discussion, among other topics, on the title of the [draft] mapping document after the EFRAG SR TEG suggested replacing 'interoperability table' with 'correspondence table'. The final version of the correspondence table will be published soon.

EFRAG SUSTAINABILITY REPORTING TECHNICAL EXPERT GROUP (SR TEG)

Meeting date	Topics covered
02 May 2024	Approval of the ESRS-ISSB interoperability map (public)
06 May 2024	Approval of the TNFD-ESRS mapping (public) Update on alignment of the VSME ED and EMAS (public)
08 May 2024	Educational session on sector materiality (closed) Drafting session Oil and Gas Exposure Draft (closed) SEC 1 (public) EFRAG SR TEG comments on the EFRAG Connectivity Project interim deliverable (public) Q&A Approval of categorisations and explanations (public) Session on the general approach to sector ESRS consultation document (public)
21 May 2024	EBA - Educational session on Pillar and BTAR (closed) Q&A Approval of categorisations, explanations (public)

The next EFRAG SR TEG meeting will be held on [06 June 2024](#), following a joint EFRAG SRB and SR TEG meeting on [05 June 2024](#).

ISSB Interoperability Mapping

On 02 May 2024, the EFRAG SR TEG discussed and approved the ESRS-ISSB interoperability map. EFRAG SR TEG members reached a consensus on the content of Sections 1, 2, 3, and 4 of the Interoperability mapping document. A representative from the EC expressed support for the document. EFRAG SR TEG members recommended to move from section 3 to the introduction the statement on ESRS preparers being able to comply with ISSB with few additional steps. The EFRAG SR TEG Chair reported this recommendation to the EFRAG SRB.

The next step involves the EFRAG SRB, which will be asked to express its approval of the ESRS-ISSB interoperability map.

Interoperability Mapping TNFD-ESRS

On 06 May 2024, the EFRAG SR TEG approved the revised version of the TNFD-ESRS mapping during the meeting no objections or abstentions. This approval is subject to the integration of the suggested changes by the EFRAG Secretariat.

The EFRAG Secretariat will integrate the suggested changes and send the document to the EFRAG SRB for final approval.

Update on VSME ED Alignment with EMAS

On 06 May 2024, EFRAG SR TEG members received an update on efforts to perform a mapping exercise of EMAS and VSME Exposure Draft. Concerns were raised about the possible additional complexity in VSME of changes to get a better alignment, as this would be contrary to the scope of VSME. While some EFRAG SR TEG members expressed that EMAS could be too burdensome, costly, and complex for most SMEs, others emphasized the document's value in distinguishing between VSME and EMAS requirements, particularly from the perspective of large corporations and financial institutions.

No decisions were taken at this meeting.

SEC 1 & 2 Approval of Exposure Draft for Public Consultation

On 8 May 2024, the EFRAG SR TEG approved to recommend to the EFRAG SRB the Exposure Draft for public consultation, while postponing the bioenergy and financial institutions matters for future consideration (partial approval). EFRAG SR TEG members considered ESRS-SASB interoperability, noting that SASB industries could align as subsectors within ESRS. Additionally, questions were raised about sector merging/splitting and alignment with TNFD guidance, which has not yet been incorporated. Editorial and terminology clarifications on sub-sector granularity and referencing NACE Classes were proposed and approved.

The EFRAG SR TEG recommended, subject to the agreed changes, the Exposure Draft to the EFRAG SRB for approval. Luc Hendrickx abstained as he will express a view when finalizing the standard. Four members abstained (Belen Varela Nieto, Giulia Genuardi, Eric Duvaud, Anne-Claire Ducrocq) as they consider that sustainability matters per each sector ESRS should be developed at the same time and be available when the classification is established. Carlota de Paula Coelho abstained as she does not consider the approach followed as a real principle or methodology to support the classification. Five members abstained (Elena Philipova, Julia Kölzer, Robert Adamczyk, Vanya Rusinova, Olivier Scherer. Abstention), because of the too short period since they started as EFRAG SR TEG members. 14 members approved: Chiara Del Prete, Jose M Moneva, Beiersdorf Kati, Sigurt Vitols, Per Tornqvist, Philippe Diaz, Sandra Adler, Luis Piacenza, Piotr Biernaki, Pier Mario Barzaghi, Jean-François Coppenolle, Fiona Watson, Antonino Vaccaro and Klaus Hufschlag. Two of these members conditioned their approval to the incorporation in the version for consultation in January 2025 of the list of sustainability matters for 7 the sectors for which such list is expected to be available at that date.

EFRAG Research Project *Connectivity between Financial and Sustainability Reporting*

On 08 May 2024, the EFRAG SR TEG provided its technical comments on the draft interim deliverable paper (Connectivity considerations & Boundaries of different parts of the annual report), before its approval by the EFRAG Financial Reporting pillar. EFRAG SR TEG members discussed several topics including the limits of connectivity related to anticipated financial effects (i.e., including short term anticipated effects) as they may not crystallise in the future date financial statements due to their inherent uncertainty and estimation methodological challenges. Other matters discussed were the interaction between the Taxonomy Regulation and IAS 37 and the possible integration of information related to a company's business model, value chain and financial reporting.

EFRAG SR TEG members expressed willingness to share practical experiences on connectivity with the EFRAG Secretariat and provide additional input on the interim deliverable paper in writing.

Q&A Platform

On 08 May 2024, the EFRAG SR TEG approved 41 categorisations of questions submitted to the Q&A Platform.

On 21 May 2024, the EFRAG SR TEG approved a batch of categorisations. A batch of explanations was approved, except for ID 821 and ID 284, which will be redrafted and presented at a future TEG meeting. The batch of approved explanations, subject to written approval, will be presented to an EFRAG SRB working group and thereafter to the EFRAG SRB. Further categorisation from the EFRAG SRB and explanations will be presented in future EFRAG SR TEG meetings.

Sectors

On 08 May 2024, the EFRAG SR TEG met to approve the consultation document on general approach to the Sector ESRS. This document will not be issued as delegated act, but its content will be incorporated in each and every sector ESRS. By issuing this document which also includes the approach to materiality at sector level, the objective is to support a broad public consultation, beyond those involved in the sector for which an Exposure Draft is included in the first batch(es).

The Exposure Draft was approved with 17 votes in favour, subject to the changes agreed in the meeting and subject to the recommendation to the EFRAG SRB to consult on possible Disclosure Requirements (DRs) always mandatory: Chiara Del Prete, Philippe Diaz, Robert Adamczyk, Kati Beiersdorf, Per Tornqvist, Belen Varela, Giulia Genuardi, Jose Moneva, Elena Philipova, Sandra Adler, Sig Vitols, Paula Coelho, Luis Piacenza, Piermario Barzaghi, Antonino Vaccaro, Jean-François

Coppenolle, Fiona Watson. The approval is accompanied by the recommendation to the EFRAG SRB to consult on whether some disclosure requirements should be always mandatory and to ask the constituents to identify such disclosure requirements.

Eric Duvaud and Anne Claire Ducrocq abstained, as they consider the objective not clear. Klaus Hufschlag disagreed with the consultation about possible always mandatory disclosures. Julia Kölzer and Olivier Scherer abstained as they had too recently joined EFRAG SR TEG. Carlota de Paula Coelho disagrees with the inclusion of additional DRs to limit the flexibility of undertakings in exercising the materiality assessment. The EC confirmed that EFRAG is not bound by the materiality approach outlined in the delegated act.

OTHER INVOLVEMENT IN SUSTAINABILITY REPORTING

Platform on Sustainable Finance (PSF)

EFRAG is an official observer in the second mandate of the Platform on Sustainable Finance and is represented by Kerstin Lopatta, EFRAG SRB Vice-Chair. EFRAG participates in Usability and Data (SG1) and in the Technical Working Group advising on the technical screening criteria (SG2).

In May a number of meetings of the Technical Working Group took place.

The Platform on Sustainable Finance commented mid-May on the EFRAG EDs on VSME and LSME.

FRIENDS OF EFRAG

JOIN FRIENDS OF EFRAG - SUSTAINABILITY REPORTING

For information on the advantages, conditions and how to apply to join, download the brochure [Friends of EFRAG - Sustainability Reporting](#) and access the [online application form](#).

For more information, please visit the [EFRAG website](#).

VACANCIES

FINANCIAL REPORTING

JOIN EFRAG AS FINANCIAL REPORTING (SENIOR) TECHNICAL MANAGER - FINANCIAL INSTITUTIONS SPECIALIST

EFRAG is looking for a Financial Reporting (Senior) Technical Manager - Financial Institutions Specialist to be offered a secondment or permanent employment contract based in Brussels. For full details, please download the [job description](#).

Applications (CV & motivation letter - with your name and surname as the document's title), mentioning EFRAG FR Team - Technical Manager (or Senior Technical Manager) in the subject, should be sent to: rh@efrag.org.

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

JOIN EFRAG AS (SENIOR) TECHNICAL MANAGER - EXPAND YOUR IFRS EXPERTISE

EFRAG is recruiting a (Senior) Technical Manager for its financial reporting pillar. The role is based at EFRAG's Brussels office.

FRAG welcomes applications for either full-time employment contracts or two-year secondments (different durations can be discussed).

For more information, please contact EFRAG CEO, Saskia Slomp at saskia.slomp@efrag.org.

Applications (CV & motivation letter - with your name and surname as the document's title), mentioning EFRAG FR Team - Technical Manager (or Senior Technical Manager) in the subject, should be sent to: rh@efrag.org.

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

SUSTAINABILITY REPORTING

OPEN POSITIONS - JOIN EFRAG'S SUSTAINABILITY REPORTING TEAM TO SHAPE THE FUTURE OF SUSTAINABILITY REPORTING

EFRAG has vacancies in its sustainability reporting team:

- [Social and Human Rights reporting specialists](#) (employment and labour rights due diligence)
- [ESRS Sector programme experts](#) (with different levels of seniority)
- [Environmental reporting specialist](#)
- [Business Conduct and related reporting specialist](#)

All positions are permanent, Brussels-based roles and require EEA nationality.

Applications, including a letter of motivation and a detailed CV, should be sent to Saskia Slomp, EFRAG CEO, at Rh@efrag.org by **24 June 2024**.

Apply now and join us in shaping the future of sustainability reporting at EFRAG!

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