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European Corporate Reporting Lab at EFRAG

‘European Lab’

Objective

- 1 The objective of the session are to:
 - (a) provide an update on the establishment of the European Lab
 - (b) request National Standard Setters and EFRAG TEG members to disseminate the call for candidates for the European Lab Steering Group.

Background

- 2 The March EC Action Plan *Financing Sustainable Growth* called on EFRAG to establish a European Corporate Reporting Lab (European Lab). The objective of the European Lab is to stimulate innovations in the field of corporate reporting in Europe by identifying and sharing good practices. The European Lab will serve the European public interest. The European Lab deliverables are not intended to have any authoritative status.
- 3 In the second half of May EFRAG received from the EC a road map on the establishment of the European Lab. This roadmap together with existing governance and governance documents formed the basis for the European Lab.
- 4 The European Lab has a multi-stakeholder Steering Group (‘the European Lab SG’) and under its direction, EFRAG establishes project task forces for specific projects (‘European Lab PTFs’). The members of the European Lab SG are appointed by the EFRAG General Assembly. The work of the European Lab will be kept separate from EFRAG’s primary role related to IFRS Standards.
- 5 The European Lab SG is responsible for setting the agenda of the European Lab; appointing the members of the European Lab PTFs; monitoring project implementation; promoting outputs of the European Lab and mobilising networks; giving direction on external communication and review of progress of the European Lab’s activities. The European Lab PTFs are responsible for the project deliverables including the contents of the project reports.

European Lab

- 6 Stakeholders from a wide range of backgrounds will be involved such as companies, users, financial intermediaries, industry organisations, standard setters, accountancy profession, academics, NGOs, civil society organisations and regulators.
- 7 The European Lab will be financed from the EFRAG budget.
- 8 The activities, performance and governance structure of the European Lab will be reviewed three years after its establishment.
- 9 The EFRAG General Assembly approved the establishment of the European Lab in its meeting of 12 September.

Projects

- 10 The European Lab will initially focus on non-financial reporting, including sustainability reporting. Preliminary projects may include climate-related disclosures in line with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures. Other topics may be environmental accounting and, in the medium term, integrated reporting, digitalisation and innovations in various other aspects of corporate reporting.
- 11 The European Lab SG will set the agenda for the European Lab and the projects to be carried out by its PTFs (each project addressing a particular topic or issue). The European Lab SG may decide to publicly consult on possible projects to be included on the agenda.
- 12 The European Lab PTFs' activities may include public consultation such as expert meetings, seminars, round table discussions, interviews, surveys and other activities to facilitate engagement and exchange with other stakeholders.

Next Steps

- 13 EFRAG has launched a call for candidates on 13 September with a deadline for applications of 8 October. The call for candidates was accompanied by the terms of reference of the European Lab SG.
- 14 A wide dissemination of the call for candidates amongst a wide range of stakeholders is envisaged. **National Standard Setters are called upon to support EFRAG by disseminating the call for candidates as widely as possible in their jurisdiction.**
- 15 The composition of the European Lab SG will be approved by the EFRAG General Assembly in its meeting of 6 November. We expect to announce publicly the composition of the European Lab SG in the middle of November.
- 16 The first meeting of the European Lab SG is scheduled to take place on 27 November 2018. It will be followed by a stakeholder reception marking the establishment of the European Lab.
- 17 It is envisaged that the first European Lab PTF will be operational in Q2 2019.

Agenda Papers

- 18 In addition to this *note*, agenda papers for this session are 13-02 – *Call for candidates for European Lab SG* – and paper 13-03 – *European Lab SG Terms of Reference* – have been provided for the session as background papers and for wide dissemination.
- (a) Agenda paper 13-02 – Call for candidates for European Lab SG;
 - (b) Agenda paper 13-03 – European Lab SG Terms of Reference; and
 - (c) Agenda paper 13-04 – Slides