

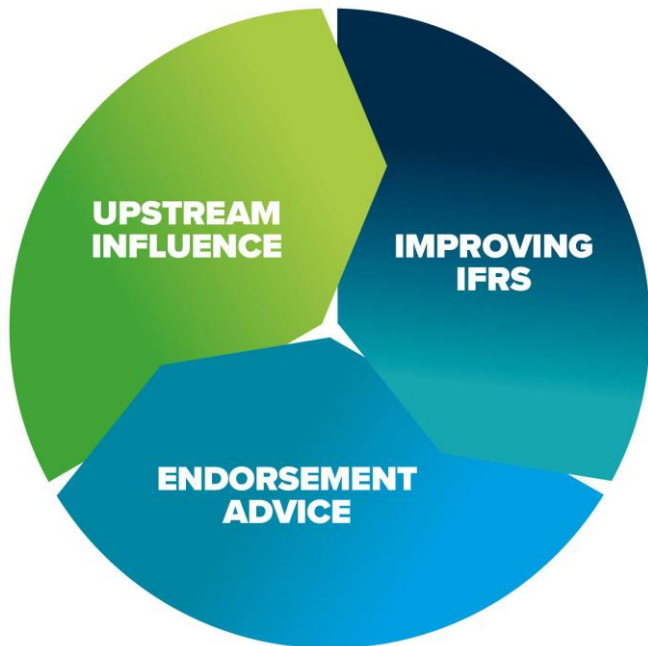
European Reporting Lab

@EFRAG

Information Pack

OVERVIEW OF EFRAG'S ACTIVITIES

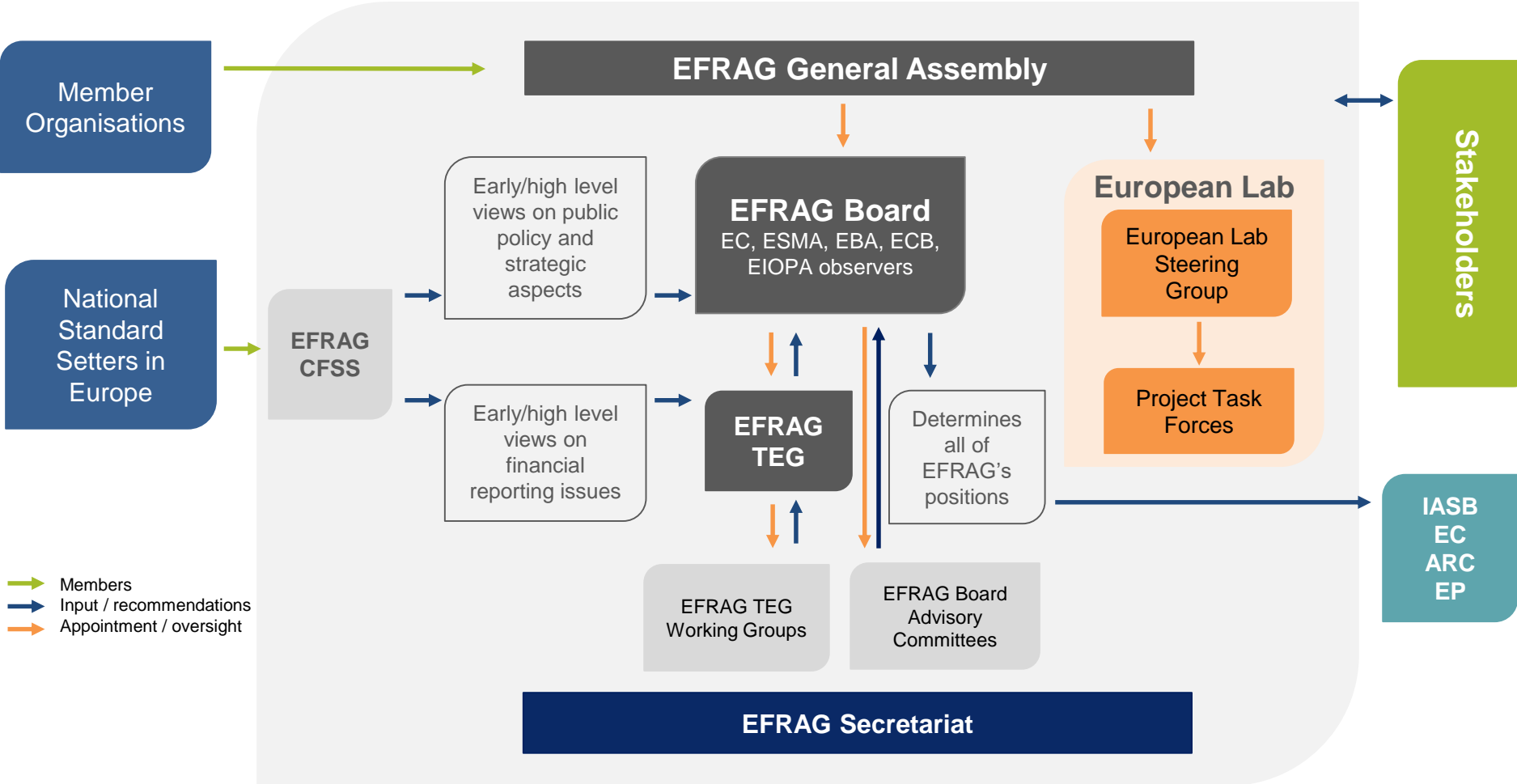
EFRAG's Core Activities



EFRAG's Mission Statement

- 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 by the IASB and related international debates
- To provide advice to the EC on whether new IFRS Standards meet the criteria in the IAS Regulation for endorsement for use in the EU
- To stimulate innovation in corporate reporting through the European Corporate Reporting Lab's work in sharing good practices

EFRAG'S STRUCTURE



EUROPEAN CORPORATE REPORTING LAB at EFRAG (European Lab)- Mission and background

- March 2018 EC Action Plan Financing Sustainable Growth: called on EFRAG to establish a European Corporate Reporting Lab as part of EFRAG
- Objective: to stimulate innovations in the field of corporate reporting in Europe by identifying and sharing good practices
- European Lab deliverables have no authoritative or normative status
- Different from the Non-Financial Reporting Directive and related Guidelines
- September 2018: the EFRAG General Assembly approved the establishment of the European Lab within EFRAG
- European Lab: multi-stakeholder Steering Group (the European Lab SG) and project task forces for specific projects (European Lab PTFs)



European Lab is about stimulating innovations
European Lab is not about setting standards or legislation

GOVERNANCE: EUROPEAN LAB- Steering Group (SG)

- **European Lab SG-**

- appointed in November 2018
- 17 members: diverse corporate reporting experts (renewable two-year term)
- Chair Jean-Paul Gauzès;
- Vice- Chair : Alain Decker , EC

- Decides on the agenda of the European Lab
- Appoints the Project Task Forces (PTFs)
- Provides high level scoping guidance on the projects
- Oversees the work of the PTFs and reviews the progress

GOVERNANCE: EUROPEAN LAB SG members

EFRAG President Jean-Paul Gauzès is the Chairman of the European Lab SG; the Vice-Chairman is Alain Deckers, European Commission.

The additional 15 appointed European Lab SG members are:

- Hilde Blomme, accountancy profession, Belgian
- Ossian Ekdahl, company, Swedish
- Simonetta Ferrari, company, Italian
- Elisabeth Gambert, company, Austrian
- Sebastien Godinot, civil society, French
- Filip Gregor, civil society, Czech
- Imre Guba, user, Hungarian
- Albert Hasselmeyer, company, German
- Nancy Kamp-Roelands, accountancy profession, Dutch
- Esko Antero Kivisaari, financial services, Finnish
- Arlene McCarthy, other stakeholders, Irish
- Flavia Micilotta, user, Italian
- Jason Mitchell, user, British
- Linda Nielsen, academic, Danish
- Steven Marcus Tebbe, civil society, German

WORKING METHOD: EUROPEAN LAB- PTFs

- **European Lab PTFs**
 - responsible for the project deliverables including the contents of the project reports.
 - PTFs are appointed for duration of the project.
- **Climate-related reporting (CRR) PTF**
 - appointed in February 2019
 - 23 members (diverse stakeholder CRR experts)
 - Chair: Michele Lacroix (also member of the Technical Expert Group on the NFRD updated non- binding guidelines)

Evaluation of the European Lab after three years

CRR PTF members

Consists of practitioners including users and preparers and other experts in climate-related reporting

The 23 appointed members of the climate-related reporting PTF are:

- Cristina Bage-Friberg, company (Sweden)
- Michel Bande, civil society organisation (Belgium)
- Piotr Biernacki, user (Poland)
- Jean-Francois Coppenolle, financial institution (UK)
- Eric Dugelay, accountancy profession (France)
- Aurelie Faure Schuyer, user (France)
- Elena Flor, financial institution (Italy)
- Antonio Fuertes Zurita, company (Spain)
- Andrea Gasperini, user (Italy)
- Giulia Genuardi, company (Italy)
- Andreas Horn, company (Germany)
- Andre Jakobs, financial institution (The Netherlands)
- Bertrand Janus, company (France)
- Kristina Jeromin, user (Germany)
- **Michele Lacroix, user (France)- Chair of the PTF**
- Anna Lindberg, financial institution (Sweden)
- Alexandra Middleton, academic (Finland)
- Miroslav Petkov, user (Bulgaria)
- Alice Peyrard, company (France)
- Nicole Röttmer, accountancy profession (Germany)
- Matthias Schmidt, accountancy profession (Germany)
- Jane Thostrup Jagd, consultant (Denmark)
- Michael Zimonyi, civil society organization (Hungary)

CRR Scope

- **Broad objectives:**

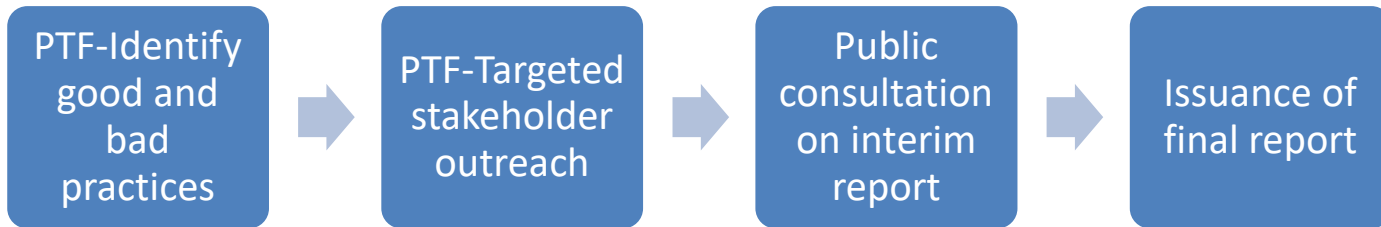
- Evaluating use of climate related information;
- Evaluating entities climate-related reporting practices;
- Considering the Task force climate-related Financial disclosures (TCFD) and other useful complementary frameworks

- **Workstreams:**

- Scenario analysis and forward planning;
- Gap analysis between current reporting and TCFD, NFRD and other suitable frameworks (possibly including Integration of CRR information into risk reporting, financial statement information and linkage to public policy objectives).



CRR Key phases of the project



CRR Key phases

- **CRR PTF research, analysis and identification of good and bad reporting practices**
 - Review of companies reports
 - Findings from other publications
- **CRR PTF outreach activities and public consultation**
 - Dialogue with stakeholders on reporting practices
- Issuance of public consultation document in Q4 2019



Deciding on European Lab agenda (process)

Approach to launch of European Lab operations

- Aim is to successfully complete first project on climate-related reporting before taking on other projects



Future agenda consultation:

- European Lab SG considerations in selecting projects include
 - There is an adequate definition of topic;
 - Fits with Lab model (i.e. examples of good practice exist under current reporting);
 - There is potential for the European Lab to add value;
 - There is an ability to meet resource demands.
- [Public consultation](#) timeline:
 - Launched on 18 July 2019
 - Deadline for responses: 30 September 2019
- Following public consultation, the European Lab SG will meet on October 15 to decide on future projects

European Lab agenda (topics)

European Lab SG will evaluate the following potential projects outlined in [agenda consultation](#) and any other suitable topic identified by respondents to the consultation:



- Reporting of social and human rights (to be narrowed to specific topics);
 - Reporting on social matters and human rights in the supply chain
 - Reporting on human capital management
 - Reporting on human capital and social capital impacts of climate adaptation and mitigation policies
- Reporting of non-financial risks and opportunities, and linkage to the business model.
- Reporting on the materiality assessment process and outcomes for Environment, Social and Governance (ESG) matters.