

EFRAG Sustainability Reporting Board

EFRAG AND GOVERNANCE REFORM

Agenda item 5

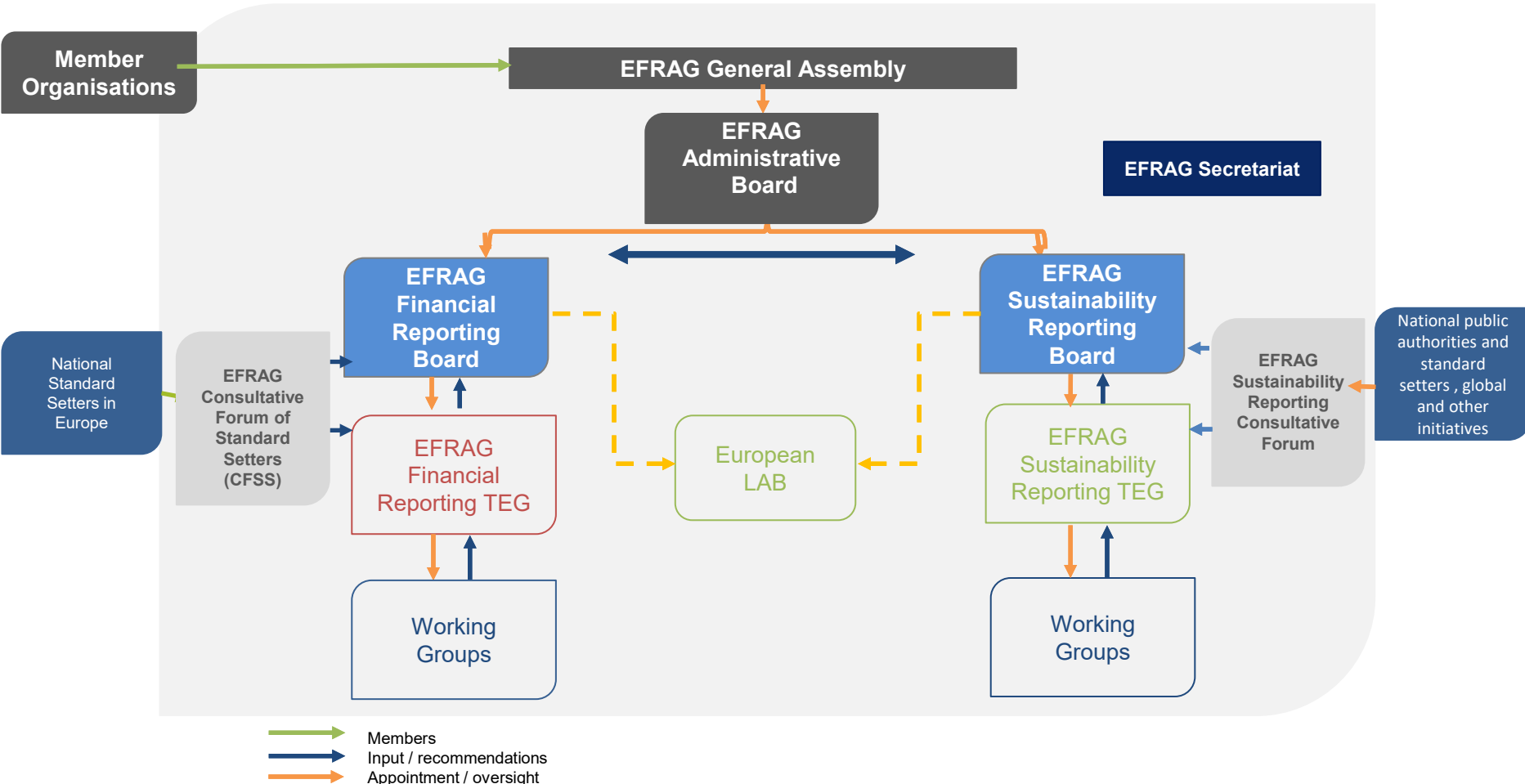
31 March 2022



DISCLAIMER

The views expressed in this presentation are those of the presenters, except where indicated otherwise. They are not approved by: the EFRAG Administrative Board, the EFRAG Sustainability Reporting Board or the European Lab Project Task Force on European sustainability reporting standards (PTF- ESRS)

EFRAG'S ORGANISATION CHART



MILESTONES

Publication of final reports with recommendations – 8 March 2021

Publication of proposal for a CSRD – 21 April 2021

Letter Commissioner McGuinness, invitation to start developing standards in project mode taking into account international developments and to start governance reform – 12 May 2021

Public consultation on Due Process Procedures on EU Sustainability Reporting Standard- Setting (DPP) – Summary report published Nov 2021 – Approval DPP EFRAG General Assembly - 15 March

Admission of 14 new Organisations in the EFRAG Sustainability reporting pillar (including 11 Civil Society Organisations) in addition to 17 existing Organisations - December/January /February 2022

Approval revised EFRAG Statutes and Internal Rules- January 2022



MILESTONES (CONTINUED) AND NEXT STEPS

Call for candidates by the EC for EFRAG Sustainability Reporting Chair and for EFRAG Financial Reporting Chair – deadline 1 February 2022

Call for candidates for the EFRAG Sustainability Reporting Board– deadline 10 February 2022, appointed by EFRAG General Assembly on 1 March 2022

Call for candidates for the EFRAG Sustainability Reporting Technical Expert Group (TEG) – deadline 28 February 2022- selection in process

Target date governance reform in place and operational – 31 March 2022

Transition Project Task Force on European Sustainability Reporting Standards (PTF-ESRS) to permanent structure – April/May 2022

Public consultation on exposure drafts of draft Sustainability Standards – Q2 2022

Cost benefit analysis including impact assessments – Q2 2022

GOVERNANCE REFORM: INTEGRATION OF SUSTAINABILITY PILLAR

- **Based on recommendations in final report Jean-Paul Gauzes that are fully supported by Commissioner McGuinness**
- **Envisaged deadline for handing over the project work of the PTF ESRS to the permanent structure 31 March 2022**
- **Governance Reform:**
 - **Amendments EFRAG Statutes and EFRAG Internal Rules**
 - **Call for expressions of interest in EFRAG Membership:**
 - **14 new organisations joined**
 - **Friends of EFRAG**
- **Gradual sequential process populating technical and governing bodies**
 - **EFRAG Administrative Board => in place**
 - **EFRAG Sustainability Reporting Board (SRB) => in place except Chair and Vice Chair**
 - **EFRAG Sustainability Reporting TEG (SR TEG) => early April**
 - **SR TEG Working Groups and Panels**

EFRAG membership: green only Sustainability Reporting Pillar

- **European Stakeholders Organisations Chapter**
 - **Business- general:** BusinessEurope
 - **Business- listed companies:** EuropeanIssuers
 - **Business-SMEs/SMPs:** EFAA
 - **Asset Management:** EFAMA
 - **Banking:** EACB, EBF, ESBG
 - **Insurance:** Insurance Europe
 - **Accountancy Profession:** Accountancy Europe
 - **Users:** EFFAS and Eurosif

- **National Organisations Chapter (countries)**
 - **Austria:** Austrian Group of Standard Setters
 - **Denmark:** Group of five Danish Organisations
 - **France:** Autorité des Normes comptables (ANC)
 - **Germany:** Accounting Standards Committee of Germany (ASCG)
 - **Italy:** Organismo Italiano di Contabilità (OIC)
 - **Luxembourg:** Commission des Normes comptables (CNC)
 - **Netherlands:** Dutch Accounting Standards Board (DASB)
 - **Spain:** Instituto de Contabilidad y Auditoria de Cuentas (ICAC)
 - **Sweden:** The Association for Generally Accepted Principles in the Securities Market

- **Civil Society Organisations Chapter**
 - **NGOs:** Climate Finance Fund of the European Climate Foundation; Economy for the Common Good; Environmental Defense Fund Europe; Frank Bold Society; Publish What You Pay; Transport & Environment; and WWF
 - **Consumer Organisations:** BETTER FINANCE and Finance Watch
 - **Trade unions:** ETUC
 - **Academics:** European Accounting Association

GOVERNANCE REFORM: INTEGRATION OF SUSTAINABILITY PILLAR

➤ **Next steps**

- **Transition of the project mode to the permanent structure**
- **Staffing – permanent and in kind secondments**
- **New member organisations and Friends of EFRAG – Sustainability Reporting**
- **EFRAG Consultative Forum of National Authorities, Sustainability Reporting Standard Setters and Initiatives (EFRAG SRCF)**
- **When political agreement is reached: further development of cooperation with sustainability standard setters and initiatives**



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