

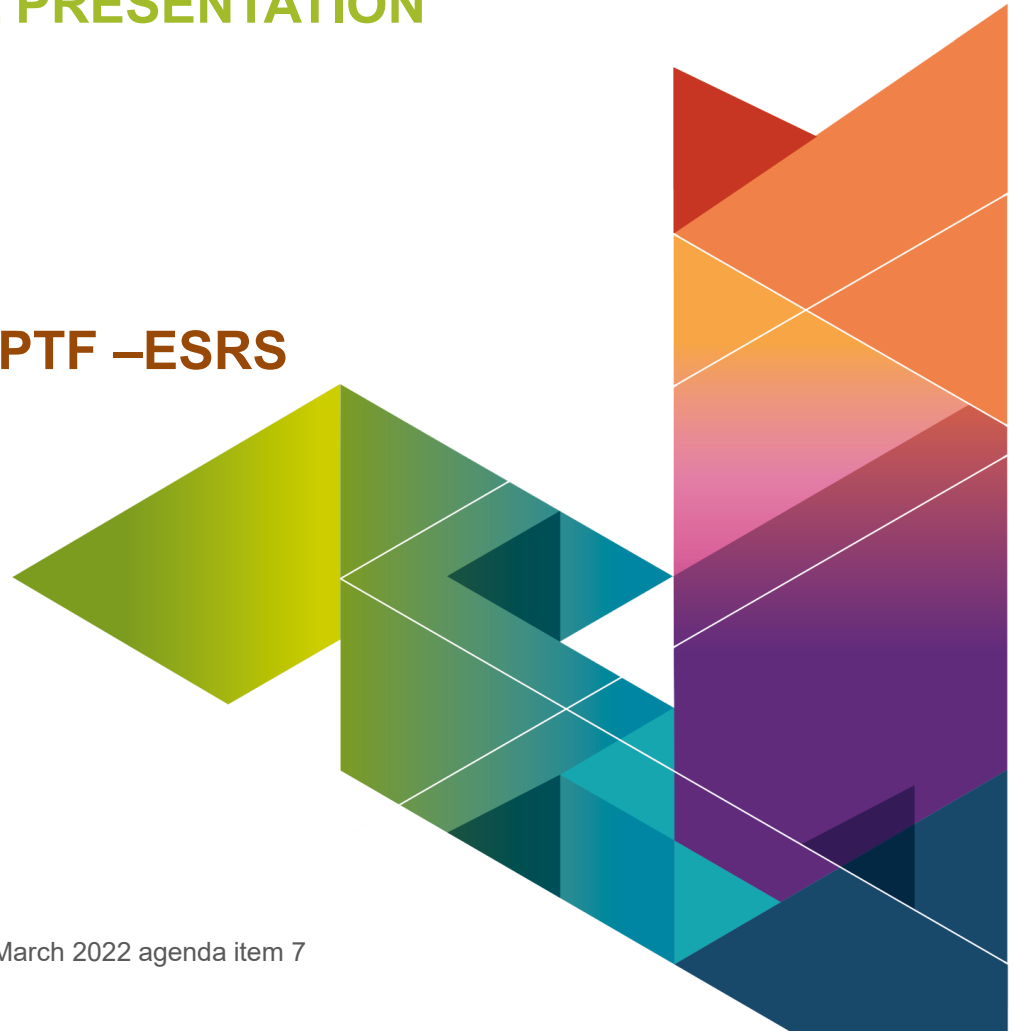
EFRAG Sustainability Reporting Board

PTF –ESRS WORK – INITIAL PRESENTATION

Agenda item 7

Patrick de Cambourg, Chair PTF –ESRS

31 March 2022



DISCLAIMER

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**Project Task-Force achievements:
exposure drafts delivered
by the end of April**

3.1 Project Task-Force achievements – Main steps

- **1st Task-Force 2020/2021** for « Proposals for a relevant and dynamic EU sustainability reporting standard-setting » - report issued on 8 March 2021
- **Proposal by the EU Commission for a new CSRD on 21 April 2021**
- **2nd Task-Force has been relaunched in June 2021** following mission letter from Commissioner McGuinness received on 12 May 2021 in order to start elaborating standards in project mode:
 - 35 members from 13 different Member States
 - Supported by secretariat members (30 full-time equivalent)
 - Reviewed by Expert Working Groups (appointed in November 2021)
 - Co-construction with GRI, Shift, WICI + dialogue with TRWG/ISSB

Project Task-Force achievements

Overview of progress to date on the basis of the CSRD architecture

CONCEPTUAL GUIDELINES	SECTOR-AGNOSTIC STANDARDS				SECTOR-SPECIFIC STANDARDS		PRESENTATION
	<u>Cross-Cutting</u>	<u>Environment</u>	<u>Social</u>	<u>Governance</u>	<u>Classification</u>	<u>ESG sector-specific disclosures</u>	
<p>ESRG 1 - Double materiality</p> <p>ESRG 2 - Characteristics of information quality</p> <p>ESRG 3 - Time horizons</p> <p>ESRG 4 - Boundaries and levels of reporting</p> <p>ESRG 5 - EU and international alignments</p> <p>ESRG 6 - Connectivity</p>	<p>ESRS 1 - General provisions</p> <p>ESRS 2 - Strategy & Business model</p> <p>ESRS 3 - Governance</p> <p>ESRS 4 – Impacts, Risks and opportunities</p>	<p>ESRS E1 - Climate (mitigation and adaptation)</p> <p>ESRS E2 - Pollution</p> <p>ESRS E3 - Water & Marine resources</p> <p>ESRS E4 - Biodiversity & ecosystems</p> <p>ESRS E5 - Circular economy</p>	<p>ESRS S1: Own workforce -General</p> <p>ESRS S2 - Own workers: working conditions</p> <p>ESRS S3 - Own workers: equal opportunities</p> <p>ESRS S4 - Own workers: other work-related rights</p> <p>ESRS S5 - Workers in the value chain</p> <p>ESRS S6 - Affected communities</p> <p>ESRS S7 - Consumers/ End-users</p>	<p>ESRS G1 - Governance, risk management, internal control</p> <p>ESRS G2 - Products and services, management and quality of relationships with business partners</p> <p>ESRS G3 - Responsible business practices</p>	<p>ESRS SEC1 - Sector classification</p>		<p>ESRS P1 – Sustainability statements</p>

Notes:

- i) ESRS 5 merged with ESRS1
- ii) Working released as of 25th March 2022

Set 1 standards: 21
Working papers released to date: 21

Project Task-Force : a robust due process

20 January 2022: 1st set of working papers released by the Task Force: Cross-cutting standards and Climate



20 January – 25 March 2022 :
Remaining working papers released
by the Task Force: Environmental,
Social & Governance; Sector
Specific classification and
Sustainability Statements



Ongoing : Triple review process for
all working papers

- Consensus Building at Plenary
 - Review Panel
- Expert Working groups

OUTPUT: Exposure drafts by end of April 2022

Next steps:

⇒ **Launch of public consultation: end of April**

⇒ **Outreach events in May in 6/7 EU locations**

Sustainability statements as a second pillar of standardised corporate reporting

1. Cross-cutting information
General provisions
<ul style="list-style-type: none">• ESRS 1 related information
Strategy and business model
<ul style="list-style-type: none">• ESRS 2 Strategy & Business Model 8 DR• Specific topical DR from topical standards, eg DR1 and DR2 from ESRS E1
Governance and Organisation
<ul style="list-style-type: none">• ESRS 3 - Governance & Organisation 4 DR• Specific topical DR from topical standards, eg DR3 and DR4 from ESRS E1
Impacts, Risks and Opportunities
<ul style="list-style-type: none">• ESRS 4 - Impacts, Risks & Opportunities 4 DR• Specific topical DR from topical standards, eg DR5 and DR6 from ESRS E1

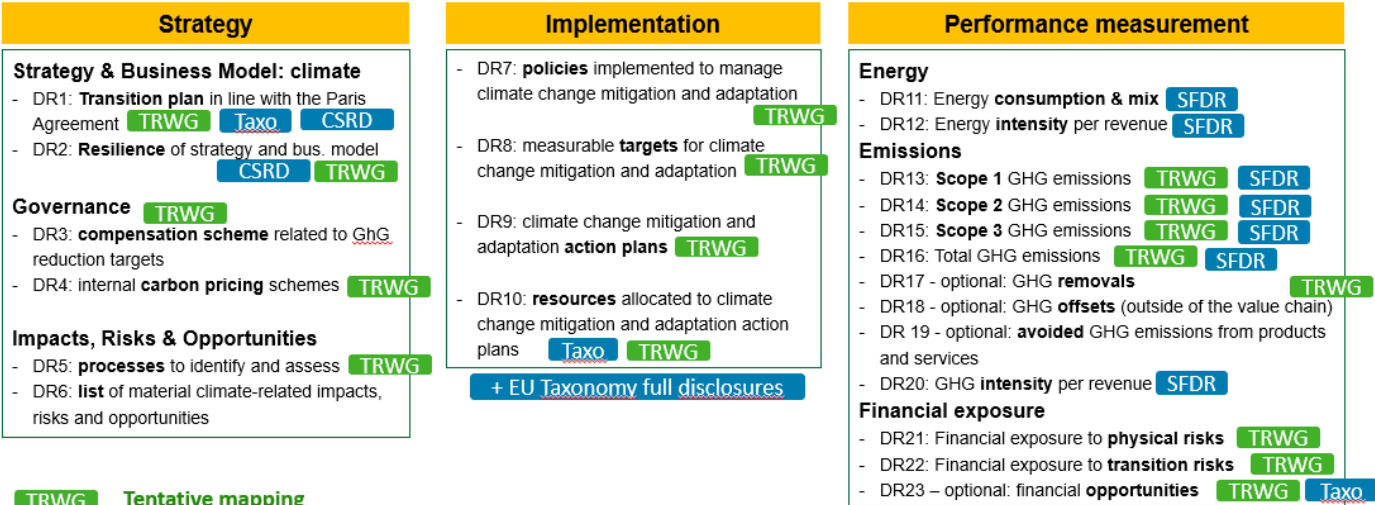
+ Sustainable Corporate Governance initiative?

2. Environmental information
<ul style="list-style-type: none">• PTAPR related DR from ESRS E1 to E5• Performance DR from ESRS E1 to E5• Additional DR from relevant sector specific standards• Potential additional entity specific information*
<p>Disclosures pursuant to Article 8 of the taxonomy regulation</p>
3. Social information
<ul style="list-style-type: none">• PTAPR related DR from ESRS S1 to S7• Performance DR from ESRS S1 to S7• Additional DR from relevant sector specific standards• Potential additional entity specific information*
4. Governance information
<ul style="list-style-type: none">• PTAPR related DR from ESRS G1 to G3• Performance DR from ESRS G1 to G3• Additional DR from relevant sector specific standards• Potential additional entity specific information*

*Prepared in compliance with ESRS 1 general provisions

Co-construction with international initiatives: the Climate standard as an example

(on the basis of the working paper issued in January 2022 and subject to change following finalisation)



TRWG Tentative mapping

ISSB prototype: some minor missing areas that will be considered in the next phase.

Major additions: much more granular on some aspects, tied to EU policies every time it is relevant.



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