

## **Interoperability between ESRS and GRI Standards EFRAG-GRI JOINT STATEMENT OF INTEROPERABILITY**

### **Objective**

This paper summarises EFRAG conclusions on the interoperability between ESRS, as issued through Delegated Acts on the 28 July 2023, and GRI standards.

### **Statement on interoperability**

EFRAG conclusions on the level of interoperability achieved between the ESRS and GRI is summarised in the joint statement agreed to be issued by EFRAG and GRI below.

*“Crediting the close cooperation during the development of the draft European Sustainability Reporting Standards (ESRS), EFRAG and GRI acknowledge that they have achieved a high level of interoperability between their respective standards in relation to impact reporting. They have prevented the need for double reporting by companies resulting in a user-friendly reporting system without undue complexity.*

*In keeping with the requirement formulated in the CSRD to adopt a double materiality approach and to take account of existing standards, the ESRS have adopted the same definition for impact materiality as GRI and have leveraged GRI’s expertise. ESRS and GRI definitions, concepts and disclosures regarding impacts are therefore fully or, when full alignment was not possible due to the content of the CSRD mandate, closely aligned.*

*Existing GRI reporters will be well prepared to report under the ESRS given the many shared disclosures and high level of alignment achieved. A reporting entity’s material impacts are in general the starting point for identifying its related risks and opportunities which are also required under the ESRS financial materiality perspective.*

*The GRI Standards thus support companies in complying with existing ESRS now and better prepare them to comply with future European reporting requirements.*

*Entities reporting under ESRS are considered as reporting with reference to the GRI Standards (as defined by GRI 1). When the ESRS delegated act is published by the European Commission EFRAG and GRI will establish and make available for public reference the list of the ESRS disclosure requirements and datapoints that correspond to GRI disclosure requirements and datapoints and illustrate the high level of commonality achieved. This list will enable a straightforward reporting with reference to GRI standards.*

*The ESRS allow entities to use the GRI Standards to report on additional material topics covered in GRI Standards that are not covered by the ESRS, such as tax. ESRS 1 (§113) and ESRS 2 (§15) allow the inclusion of disclosures from other standards, such as the GRI Standards, in the ESRS sustainability statements. This means entities can report in accordance with both the ESRS and GRI Standards through one report.*

*EFRAG and GRI are currently considering how to enhance their technical cooperation in the future. In particular to simplify reporting processes, the two organizations intend to work on a digital taxonomy and a multi-tagging system for their respective standards. Shared disclosures tagged under the ESRS digital taxonomy and the GRI digital taxonomy could be cross-referenced to allow for a streamlined digital reporting exercise on the preparer’s side”.*