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VCIG: Feedback and updates

Cover note

Objective

1. The objective of this session is to present the feedback received and the SRB's directions on the feedback for information to SR TEG.

Background

2. On 22 December 2023, the three implementation guidance documents as approved by the SRB were issued for public feedback with comments requested by 2 February 2024.
3. Agenda paper 07-02 sets out the feedback received in detail in Appendix 1. In short, the main categories of comments were on the following topics:
 - (a) Linking of entity-specific disclosures with VC; whether entity-specific metrics are also required for VC disclosures.
 - (b) Operational control (Chapter 2.3)
 - (c) Harmonisation of the approach of due diligence between ESRS and CSDDD.
 - (d) More guidance for financial institutions
 - (e) Requests for more examples
 - (f) Explicit list of data sources to be included in FAQ 9
 - (g) Further guidance on reasonable effort
 - (h) Transitional provision clarifications and
 - (i) Miscellaneous smaller comments as well as drafting and editorial comments.
4. The SR TEG will receive a verbal update as to the SRB's directions from the meeting on 20 March 2024 during the meeting.

Questions for EFRAG SR TEG

5. Does the SR TEG have comments on the summary in agenda paper 05-02 *VCIG: feedback analysis*?
6. What are the views of SR TEG members on agenda paper 05-04 – VCIG: questions on operational control.

Other possible changes not reflected

7. The EFRAG Secretariat has received informal feedback from ISSB and GRI staff; where relevant changes will be proposed in the markup to reflect this input.

Next steps

8. The next step is for SR TEG to recommend the updated VCIG to the EFRAG SRB.

Agenda papers

9. In addition to this cover note, agenda papers for this session are:

- (a) Agenda paper 05-02 – VCIG: the feedback analysis;
- (b) Agenda paper 05-03 – VCIG: strategic direction (i.e., the slides, the main document for discussion); and
- (c) Agenda 05-04 – VCIG: Questions on operational control.