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Object Exposure Draft ED/2021/3 – Disclosure Requirements in IFRS Standards—A Pilot Approach
Proposed amendments to IFRS 13 and IAS 19

Paris, December 22, 2021

Dear Sir or Madam,

We have participated to the workshop on EFRAG's field test on the Exposure Draft ED/2021/3 on November 10, 2021 with Kathryn Donkersley from IASB, during which we have had a very constructive discussion.

We hereby reiterate our support to the development of objectives-based disclosure requirements. On the part concerning IAS 19 which we have worked on, please find below our response to the questions in the exposure draft:

1) Question 12—Overall disclosure objective for defined benefit plans

We agree with the overall disclosure objective which enables users of financial statements to (a) assess the effect on the entity's financial position, financial performance and cash flows and to (b) evaluate the risks and uncertainties.

This has helped us in the process of reviewing our current disclosures and using our judgement, we have identified items such as cash-flow effects and sensitivity related disclosures which we would consider to include or develop in our future disclosures to improve our communication on financial performance and risks.

2) Question 13—Specific disclosure objectives for defined benefit plans

While we agree with all the specific disclosure objectives for defined benefit plans suggested in the Exposure Draft, we would like to particularly point out that care should be taken on the way to present the executive summary which fulfills the objective of disclosing the "**amounts in the primary financial statements relating to defined benefit plans**" as the IAS 19 is not a stand-alone disclosure and the presentation needs to provide a logical way to introduce the note to the provision on the balance sheet.

3) Question 14—Information to meet the specific disclosure objectives for defined benefit plans

a) While we agree with the objective of disclosing the "**expected future cash flows relating to defined benefit plans**", we find that providing "**quantitative information about expected future contributions**" as suggested in **147L(b)** is not really applicable in our case as contributions are not compulsory. The amount of future contribution depends on corporate strategy, market variations and other considerations, this could even be considered as a confidential information.

b) While we agree with the objective of disclosing the "**nature of, and risks associated with, defined benefit plans**" through investment strategy and risk management policies and governance, we consider that communicating on the "**expected return on the plan assets**" as suggested in **147I(i)** would involve a high level of speculation since it depends on market conditions, and could be wrongly interpreted as a forward-looking statement.

c) While we agree with the objective of disclosing the "**future payments to members of defined benefit plans that are closed to new members**" through the weighted average duration of the obligation we think there is little added-value to communicate on the "**number of years over which the benefits payable by the defined benefit plans are expected to be paid**" as suggested in **147P(b)** the discounted value of payments in the distant future will have a limited effect on the company's financial position.

4) Question 15—Overall disclosure objective for defined contribution plans

We agree with the overall objective of disclosing "information that enables users of financial statements to understand the effect of defined contribution plans on the entity's financial performance and cash flows". This has also helped us in identifying the needs of disclosing cash flows effect related to defined contribution plans which we will consider providing in our future financial statements.

The ED emphasizes on risks and cash flows uncertainties. Risks described in the ED mainly focus on liability side. But, in the case where plan assets are significant, it seems to us that a key disclosure for users would be to describe the underlying risks (counterparty risks, change, rates…) and how the entity manages those risks.

So, it seems to us that providing additional information on risk management strategy for plan assets and cash-flows for the period would meet the ED objectives.

Should you require any clarification or wish to discuss our comments further, please do not hesitate to contact us.

Yours sincerely,

Isabelle Triquera
Group Accounting and Tax Director