

PROJECT TASK FORCE ON EUROPEAN SUSTAINABILITY REPORTING STANDARDS

CALL FOR CANDIDATES FOR EXPERT WORKING GROUPS TO PROVIDE INPUT FOR THE DEVELOPMENT OF DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

25 August 2021

BACKGROUND

On 21 April 2021 the European Commission adopted a [legislative proposal for a Corporate Sustainability Reporting Directive \(CSRD\)](#) which would oblige companies within its scope to report in compliance with European sustainability reporting standards adopted by the European Commission as delegated acts.

At the [request of the European Commission](#) and in parallel to the elaboration and adoption of the legislative proposal, EFRAG has already carried out extensive work on key governance and standard-setting matters related to sustainability reporting. Two reports published on 8 March 2021 provide a full account of the proposals made:

- [Proposals for a relevant and dynamic EU sustainability reporting standard-setting](#), by the multistakeholder Project Task Force on preparatory work for the elaboration of possible EU non-financial reporting standards (PTF-NFRS), established by EFRAG in line with the European Commission's request.
- [Potential need for changes to the governance and funding of EFRAG](#), by Jean-Paul Gauzès on his ad personam mandate.

Under the proposed CSRD, EFRAG would develop draft standards, using proper due process, public oversight and transparency, and with the expertise of relevant stakeholders.

The timeline contained in the proposal assumes the elaboration of draft sustainability reporting standards in parallel to the legislative process of the proposed CSRD. To meet this timeline, Commissioner McGuinness, in [a letter dated 12 May 2021](#), has requested EFRAG to:

1. reform its governance following the recommendations by Jean-Paul Gauzès in his report which were fully supported by Commissioner McGuinness; and
2. put in place interim working methods to start the technical work immediately, building on the membership, leadership, expertise and recommendations of the PTF-NFRS.

As a consequence, the PTF-NFRS established in September 2020, is now called the Project Task Force on European sustainability reporting standards (PTF-ESRS). The PTF-ESRS has been invited to start elaborating standards in project mode with a view to passing responsibility to the EFRAG sustainability reporting bodies as soon as they have been established following the planned governance reform. The anticipated timing for handover to EFRAG is Spring 2022.

EXPERT WORKING GROUPS

Technical work by the PTF-ESRS is well under way, organised in clusters reflecting the target architecture proposed in the [PTF-NFRS report](#). The clusters are currently scoping, researching, documenting and drafting the very first version of the standards, aiming to have a preliminary pre-exposure draft version ready by mid-October.

The preliminary pre-exposure draft version will be submitted for review and input to external expert working groups ('Expert WGs') to be set up for this purpose through this call for candidates.

The Expert WGs will be expected to review, provide input and, where necessary, contribute to the work of the PTF-ESRS.

The preliminary pre-exposure draft version will be further developed to accommodate input from the Expert WGs, to get to the pre-exposure draft for the next steps of the standard-setting process.

The number and size of the Expert WGs to be set up will be finalised through the selection and appointment process. In the first instance it is envisaged to set up 11 Expert WGs as outlined in the Appendix, with an indicative size of 3 to 6 highly qualified experts each.

During the selection process strong emphasis will be given to identifying candidates with high level of expertise and experience on the specific areas and topics listed in the Appendix. Candidates are therefore expected to indicate their high level of expertise and experience by providing specific details for these areas and topics.

TIMELINE AND AVAILABILITY

The Expert WGs will have to meet a strict timeline working with relevant clusters of the PTF-ESRS, given the anticipated timing for handover of the pre-exposure draft to EFRAG is early 2022.

The PTF-ESRS intends to work with the Expert WGs in the intensive period anticipated between mid-October to early 2022. This requires that candidates should be able and committed to make significant time and own resources (support from organisation/colleagues) available during this period, in particular when documents are presented to them for input.

It is envisaged to retain the Expert WGs until the handing over of the pre-exposure draft to the EFRAG governing bodies. The continuation of the Expert WGs following the handover may be duly considered by the future governing bodies of the sustainability reporting pillar within EFRAG, to be established following the [governance reform of EFRAG currently in progress](#).

COMPOSITION OF THE EXPERT WGs

The Expert WGs shall include a balanced representation from a broad range of stakeholders with a legitimate interest and expertise in sustainability reporting and standard-setting, covering the specific areas and topics listed in the Appendix. A sufficient number of experts will be selected as necessary for the different specific sustainability topics to be covered by the sustainability reporting standards being drafted (see Appendix).

The members of the Expert WGs will be appointed in their personal capacity and may not be represented by alternates.

PROFILE

Practical expertise and experience: Expert WGs members should have demonstrated knowledge, high-profile expertise and practical experience in the field of: sustainability reporting standard setting; preparing, reviewing or using sustainability information; or matters within the scope of standard setting including digitisation of corporate reporting.

See the Appendix for more specific details on the areas and topics of expertise and experience required. During the selection process strong emphasis will be given to identifying candidates with a high level of expertise and experience on the specific areas and topics listed in the Appendix. Candidates are therefore expected to indicate their high level of expertise and experience by providing specific details for these areas and topics. Candidates can apply for more than one Expert WG if they have relevant expertise and experience.

Competency: Expert WGs members should be competent and qualified within their professional or business background and have the knowledge and experience relevant for providing input to the PTF-ESRS on the specific areas and topics listed in the Appendix.

Thought leadership: Expert WGs members should have a demonstrated interest in improving sustainability reporting both at European and international level.

Commitment to acting in the European public interest: Expert WGs members are required to commit themselves to acting in the European public interest.

Time commitment: Expert WGs members should be committed to provide the time – which could be significant – to contribute effectively and constructively to the work of the PTF-ESRS. Time commitment is not limited to participation to meetings with the relevant clusters of the PTF-ESRS, but includes desktop work as well (which will be particularly intensive when documents are presented to Expert WGs members for input).

Good command of the English language: The working language of the PTF-ESRS is English. Expert WGs members should have a professional knowledge of the English language allowing them to participate in and actively contribute to the task on hand.

Collegiality: Expert WGs members are expected to cooperate in a collegial atmosphere. They are expected to have the ability to engage diplomatically and constructively and be able to uphold the highest standards of integrity, objectivity and discipline.

Confidentiality: Strict confidentiality is expected to be maintained by Expert WGs members and any personal support staff with respect to any information that is not in the public domain. In particular, working documents, data or other information that Expert WGs members will be provided access to, cannot be communicated, in full or in part, to any third party without due permission. All meetings of the Expert WGs will be closed sessions, i.e. not open to the public.

Candidate nationality: Expert WGs members shall have a nationality from the European Economic Area. Consideration will be given to adding some observer positions for experts of other nationalities.

SELECTION PROCESS

The selection amongst candidates will be based on the following criteria:

- Meeting the profile: The extent to which a candidate meets the abovementioned profile for the Expert WGs notably in terms of expertise and experience on the specific areas and topics listed in the Appendix.
- Collective coverage of relevant and broad-based expertise and experience in the different matters covered by the standards in the process of being drafted.
- Background, geographical spread and gender balance: The primary aim is to secure a reasonable balance in backgrounds and skills needed to contribute to the work of the PTF-ESRS. The need for geographical and gender diversity will also be taken into account in the selection process, aiming to secure as much as possible a reasonable geographical and gender balance.

Expert WGs members will be recommended by a nominating committee and appointed by the PTF-ESRS.

ADDITIONAL INFORMATION

Expert WGs members will not be remunerated by EFRAG for their duties and are expected to bear their own expenses, including travel expenses.

The envisaged practical operations are described in the [terms of reference](#) of the Expert WGs.



EXPERT WORKING GROUPS TO PROVIDE INPUT FOR THE INITIAL DRAFT OF EUROPEAN SUSTAINABILITY REPORTING STANDARDS

Applications for the Expert WGs should be submitted by **15 September 2021** for the attention of the EFRAG Board President, Jean-Paul Gauzès.

All applications must be submitted electronically [here](#). Only applications submitted through this link will be considered.

All candidates will be informed about their appointment or outcome of their application when the PTF-ESRS reaches a decision on the composition of the Expert WGs. The meetings of the Expert WGs are envisaged to commence mid-October 2021. Candidates are requested to make tentative provisions in their work schedule and diary to allow for a swift start of the activities of the Expert WGs.

Yours sincerely,

Jean-Paul Gauzès
EFRAG Board President



APPENDIX – LIST OF SPECIFIC AREAS/TOPICS OF EXPERTISE AND EXPERIENCE REQUIRED

The terminology used for the areas and topics listed below should be read in conjunction with the [final report of the Project Task Force on preparatory work for the elaboration of possible EU non-financial reporting standards](#), published by EFRAG on 8 March 2021, proposing a roadmap for the development of a comprehensive set of EU sustainability reporting standards and the target architecture for the standards.

The specific sustainability topics listed below are grouped on the basis of the **11 Expert WGs** envisaged to be set up for the duration of the PTF-ESRS as mentioned in this call for candidates.

During the selection process strong emphasis will be given to identifying candidates with a high level of expertise and experience on the specific areas and topics listed below. Candidates are therefore expected to indicate their high level of expertise and experience by providing specific details for these areas and topics in their application.

It is envisaged to retain the Expert WGs until the handing over of the pre-exposure draft to the EFRAG governing bodies. The continuation and final structure of the Expert WGs following the handover may be duly considered by the future governing bodies of the sustainability reporting pillar within EFRAG, to be established following the [governance reform of EFRAG currently in progress](#).

Additional calls for candidates may be launched, notably a call for candidates with specific sector expertise, when the standard-setting work in progress is more advanced.

Specific overarching areas
<ul style="list-style-type: none"> Existing sustainability reporting standard-setting initiatives and how they meet the needs of stakeholders taking account of the double materiality perspective and requirements of the current Non-Financial Reporting Directive
<ul style="list-style-type: none"> Standard-setting in general
<ul style="list-style-type: none"> Relevant EU legislation, including the taxonomy regulation, the sustainable finance disclosure regulation, and any other EU and international environmental and social policy
<ul style="list-style-type: none"> Intangibles, including in relation to intellectual, human, social and relationship capital
<ul style="list-style-type: none"> Connectivity between the financial and sustainability statements contained in corporate reports
<ul style="list-style-type: none"> Assurance over sustainability information
Specific sustainability topics
<i>Expert WG 1: Conceptual guidelines</i>
<ul style="list-style-type: none"> Double materiality
<ul style="list-style-type: none"> Quality of information
<ul style="list-style-type: none"> Levels of reporting and boundaries
<ul style="list-style-type: none"> Time horizon
<ul style="list-style-type: none"> EU alignment
<ul style="list-style-type: none"> International convergence

Expert WG 2: Cross-cutting standards
<ul style="list-style-type: none"> • Overall business strategy (including business model) • Material sustainability risks, opportunities and impacts • Sustainability governance and organisation • Policies and targets • Action plans and resources
Expert WG 3: Environment – Climate
<ul style="list-style-type: none"> • Climate change mitigation • Climate change adaptation
Expert WG 4: Environment – Other
<ul style="list-style-type: none"> • Water and marine resources • Circular economy • Pollution • Biodiversity and ecosystems
Expert WG 5: Social – Workforce
<ul style="list-style-type: none"> • Equal opportunities • Working conditions • Human rights
Expert WG 6: Social – Other
<ul style="list-style-type: none"> • Value chain workers • Affected communities • Consumers / end users
Expert WG 7: Governance+ – Governance
<ul style="list-style-type: none"> • Governance (including Board independence, assessment, remuneration, ...)
Expert WG 8: Governance+ – Other matters
<ul style="list-style-type: none"> • Business ethics, corporate culture and political engagements • Innovation, products and services, reputation and brand • Management of the quality of relationships • Organisation (including management systems, cyber security, internal controls, ...)
Expert WG 9: Sector-specific standards
<ul style="list-style-type: none"> • Sector mapping / grouping • Sector-specific standards specificities
Expert WG 10: SMEs
<ul style="list-style-type: none"> • Specificities around the disclosure of sustainability information by Small and Medium-sized Enterprises (SMEs)
Expert WG 11: Format
<ul style="list-style-type: none"> • Digitisation & tagging of sustainability reporting • Sustainability statements