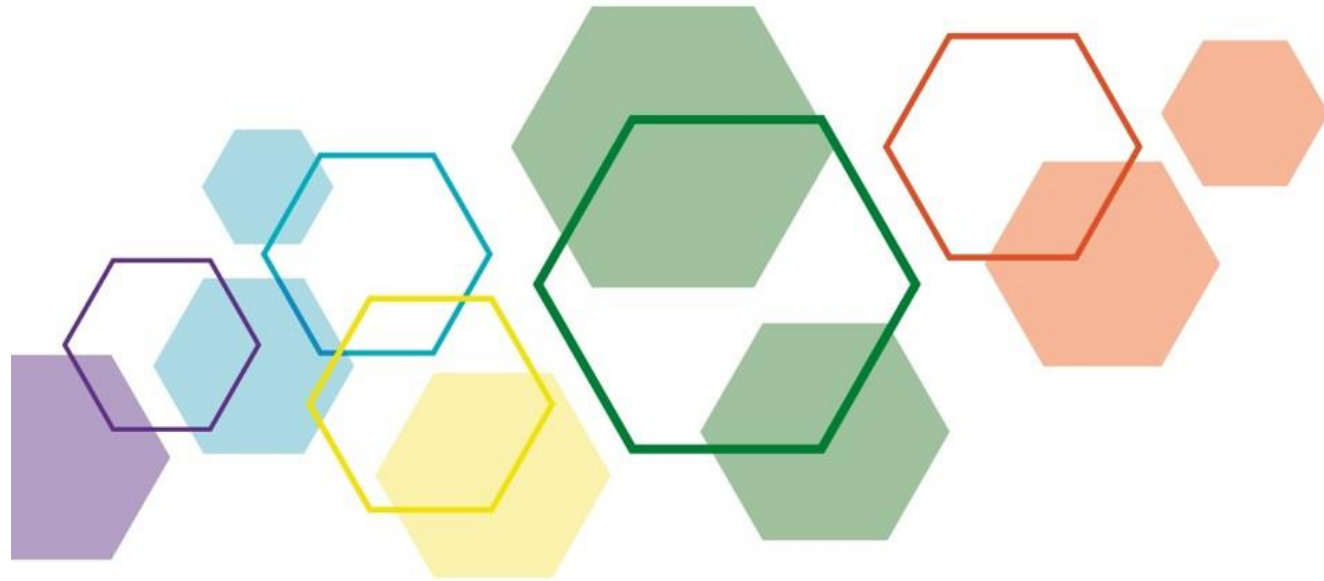


Good Governance Academy 8th Colloquium

CURRENT AND EXPECTED FUTURE SUSTAINABILITY REPORTING IMPERATIVES IN THE EU

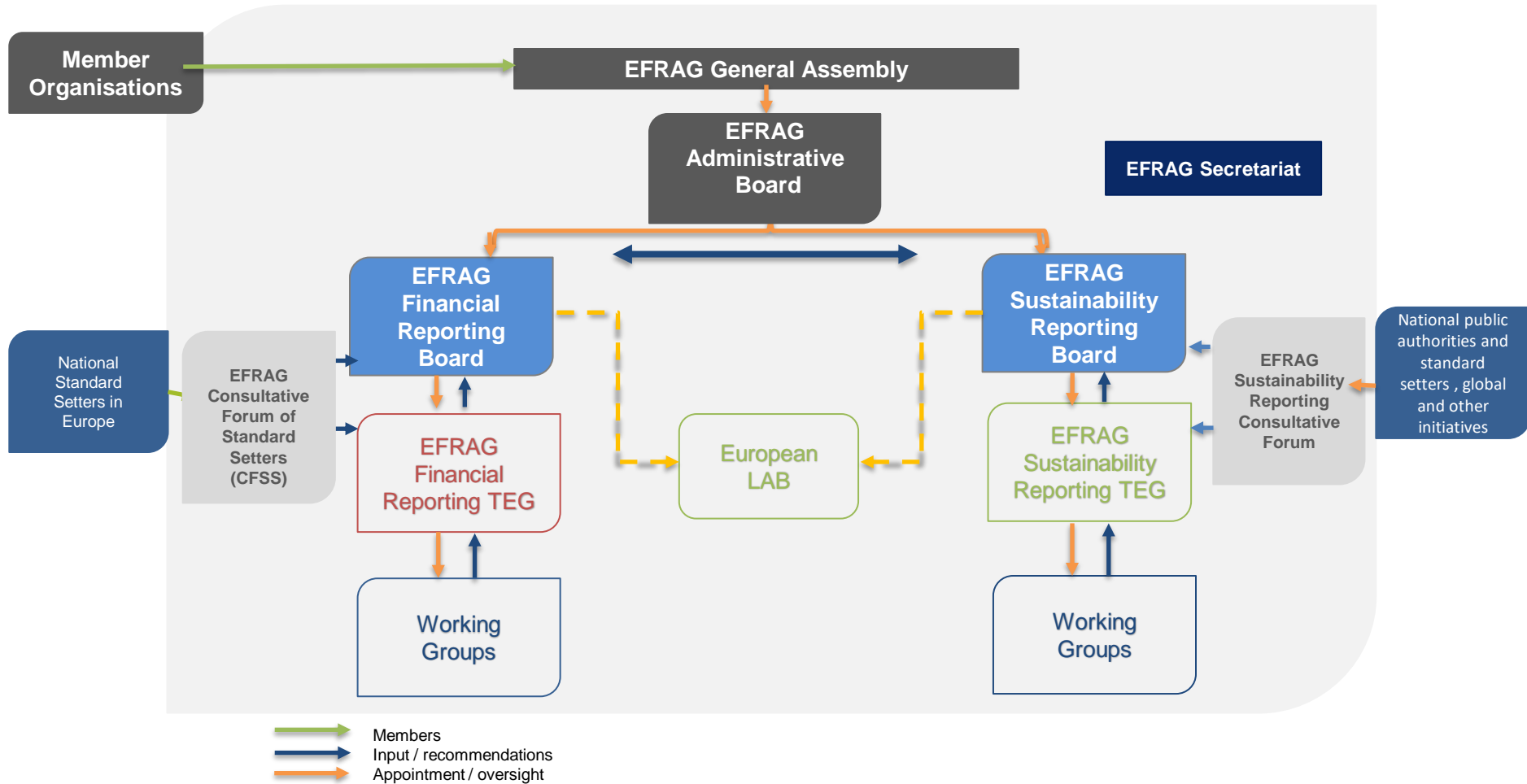
3 November 2022



DISCLAIMER

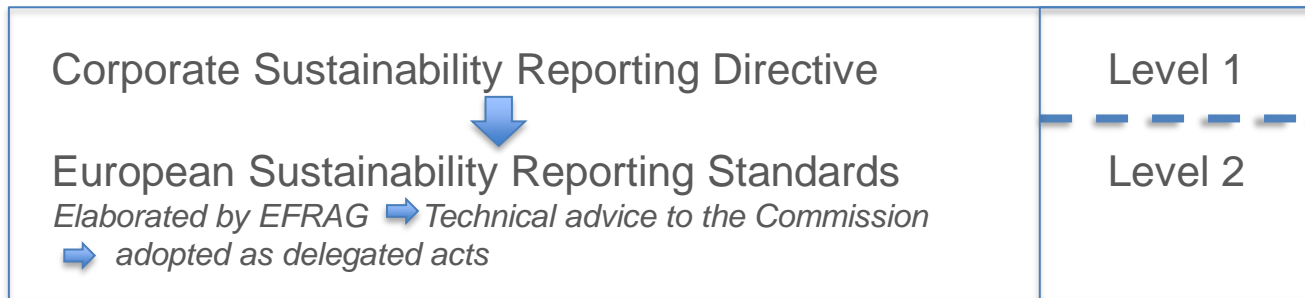
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EFRAG'S INSTITUTIONAL REFORM TO MATCH NEW MISSION



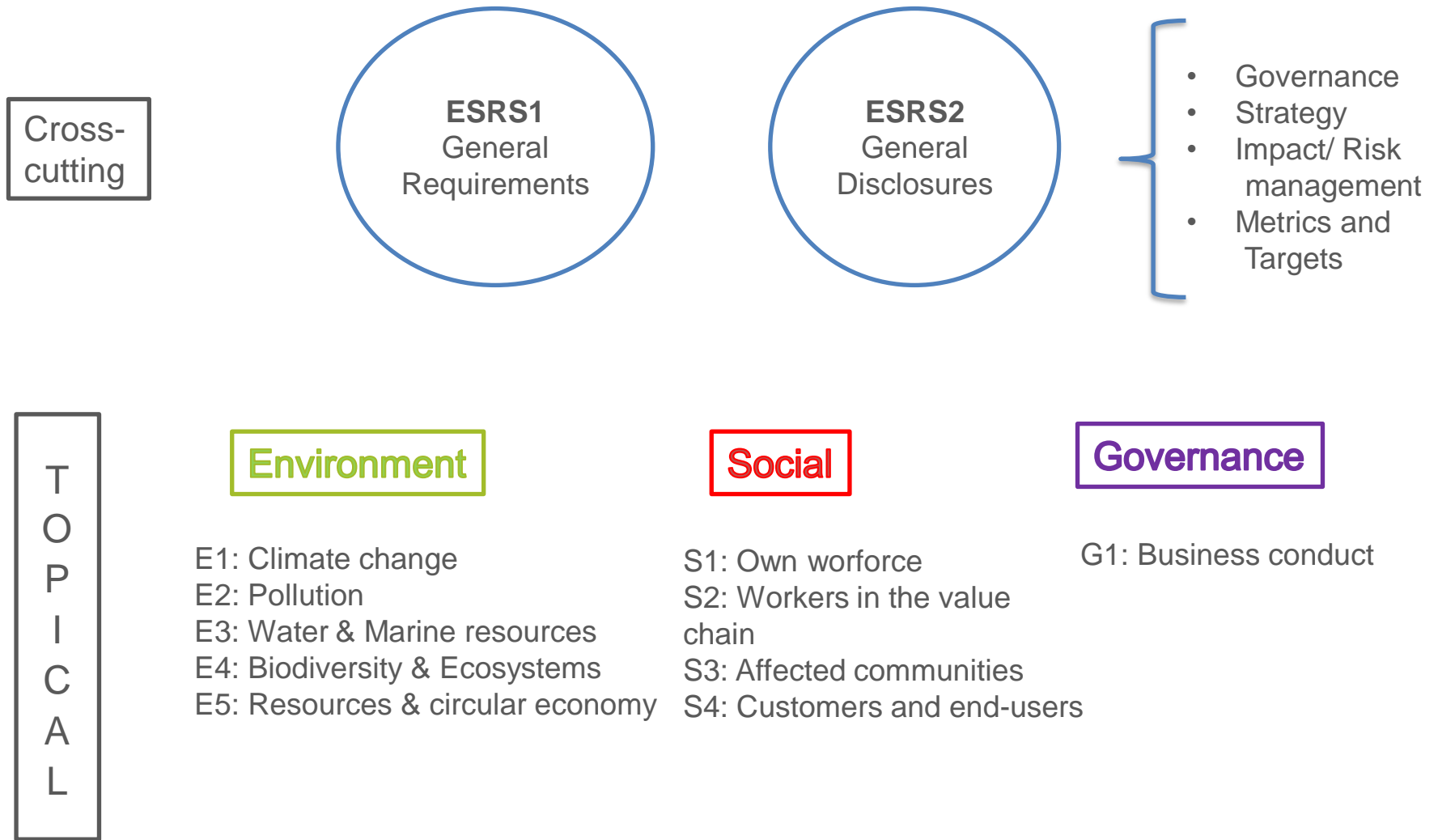
A ROBUST MANDATORY REGIME OF SUSTAINABILITY REPORTING IN THE EU

- A legal regime of sustainability reporting under double materiality

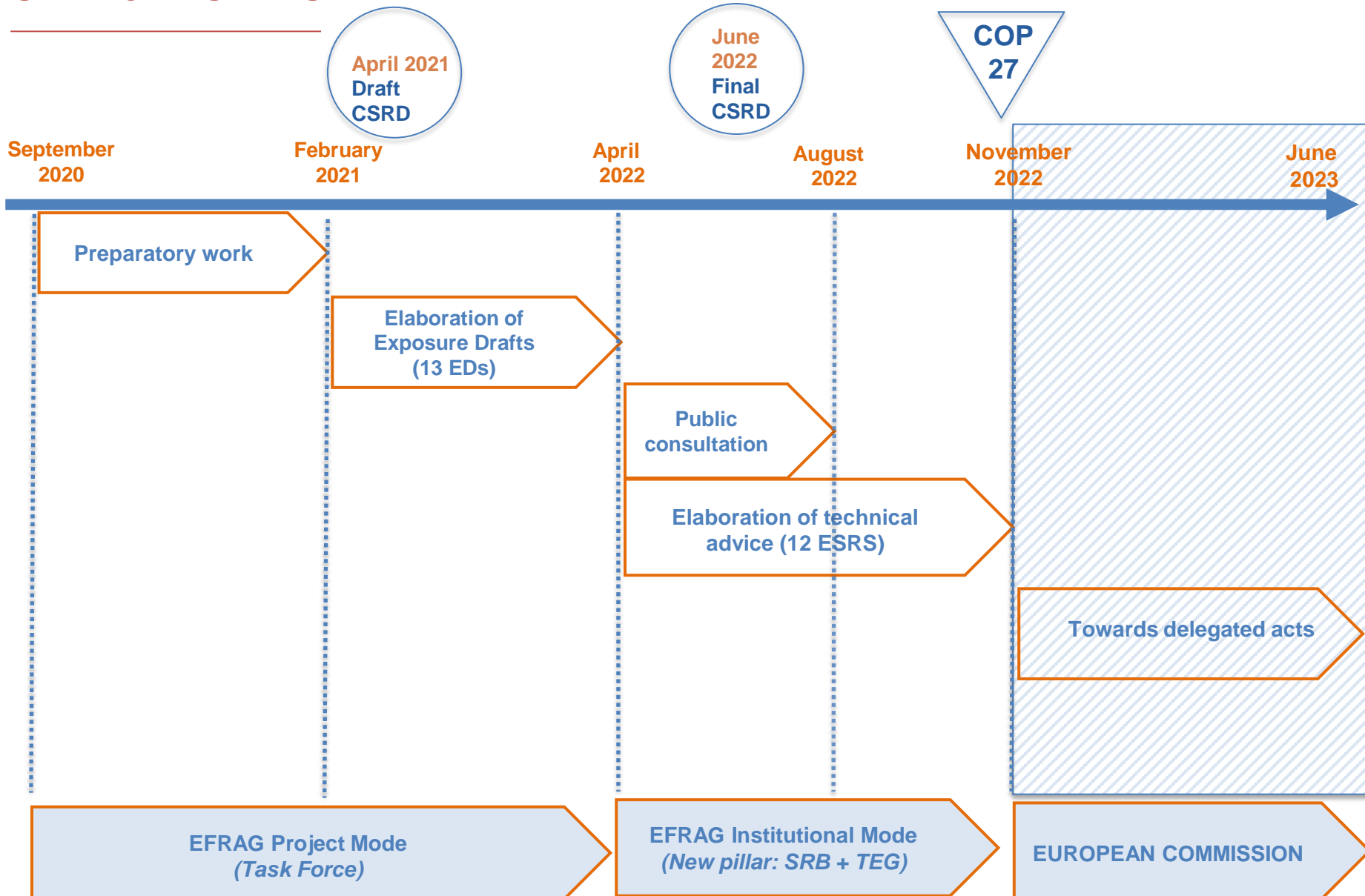


- For all companies > 250 employees operating with the European Union and listed SMEs + Voluntary regime for other SMEs
- As from: 2024 for NFRD reporting entities, 2025 for other large entities and 2026 for listed SMEs
- Comprehensive coverage of environmental, social and governance matters: sector agnostic, then sector specific
- Report located in a separate section of the management report: Sustainability statements
- Audit and digitisation

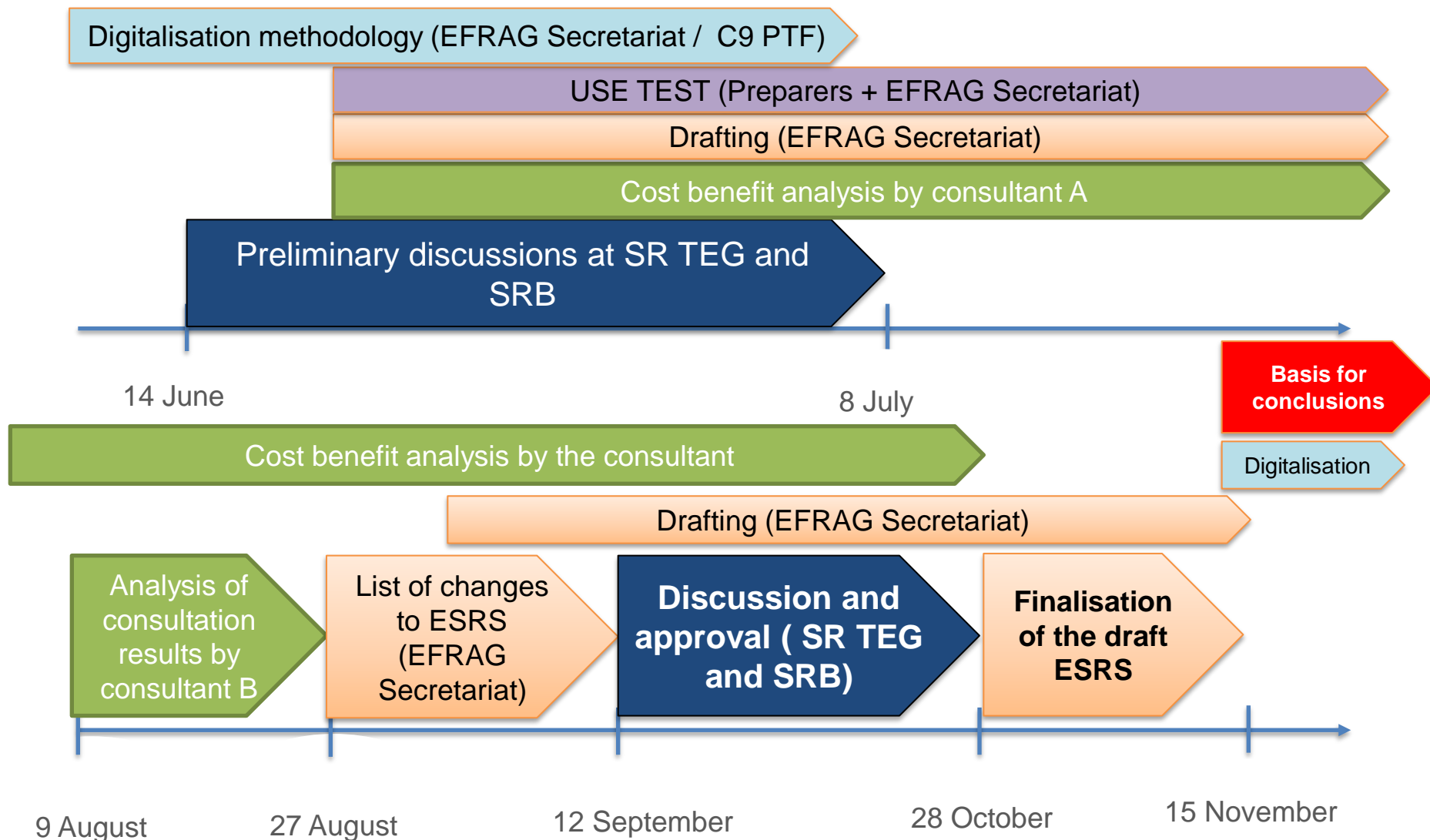
A COHERENT ARCHITECTURE OF STANDARDS: 12 ESRS

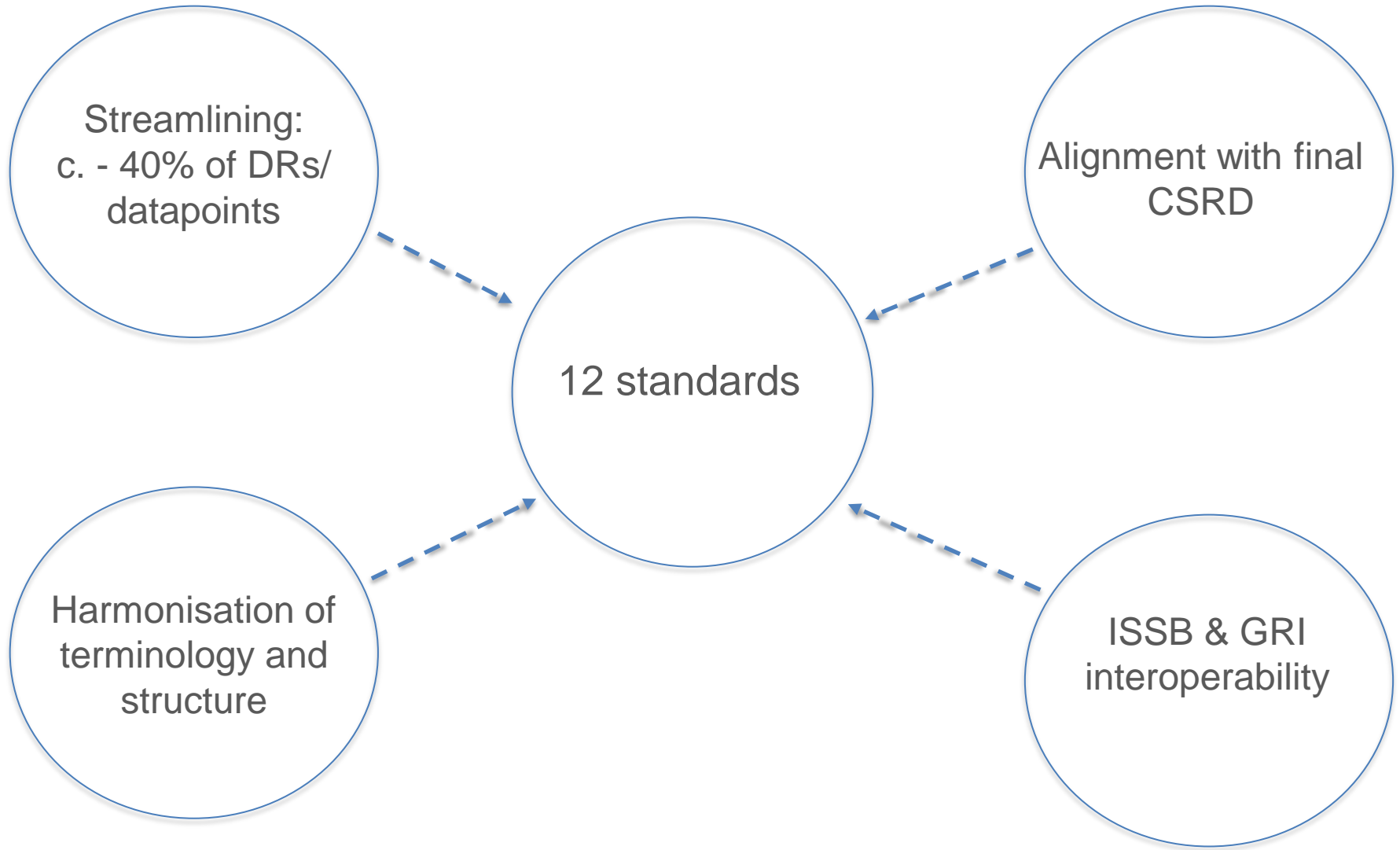


ELABORATING AND ADOPTING THE FIRST SET OF STANDARDS OVER 34 MONTHS



FOCUS ON JUNE TO NOVEMBER 2022





- Meetings of the JWG, bilateral meetings at management level and bilateral meetings of climate experts: continued dialogue and cooperation
- Comments received: great desire for interoperability ESRS and IFRS S
- Tentative decisions:
 - Alignment of concepts: financial materiality and value chain in ESRS 1
 - Alignment of content of disclosure objectives in ESRS 2
 - Confirmation of additions to IFRS S2 in ESRS E1
 - Changes to the Architecture
- Differences in timeline



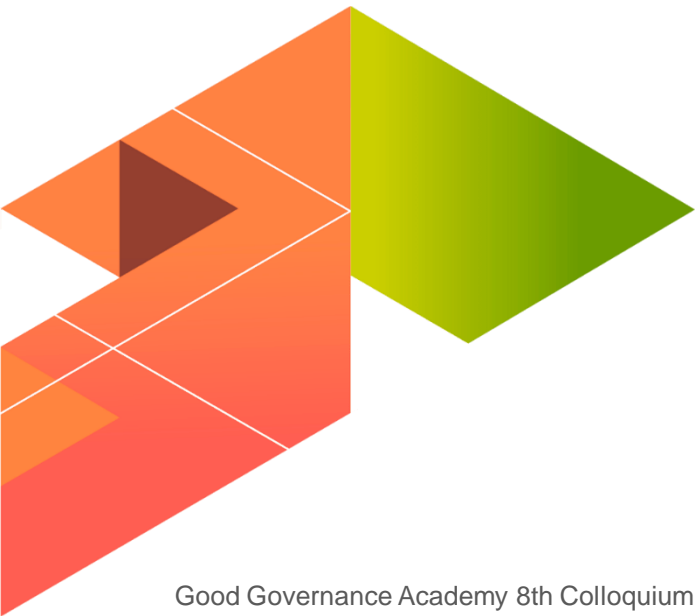
- Sector specific standards
 - 5 sectors covered by GRI: Agriculture, Coal Mining, Mining, Oil+Gas (upstream), Oil+Gas (mid-to downstream)
 - 5 high-impact sectors: Energy Production, Road Transport, Motor Vehicle Production, Food/Beverages, Textiles
- Standard for non-EU companies
- Standard for listed SMEs
- Voluntary guidance for non-listed SMEs
- Amendment to Set 1 in order to implement the ‘cap’ on value chain information => **most likely set 3**

Work on draft sector ESRS in progress (workshops in June/July) and new series of workshops in October/November (news item)

Followed by two further sets of sector specific standards



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