



**EFRAG**

35 Square de Meeus  
1000 Brussels (fifth floor)  
Belgium

Below please find general comments on **Draft EFRAG IG 2: [Value chain implementation guidance](#)**.

1. The following extract from page 13 of the Draft EFRAG IG 2 document refers:

	Common characteristic(s) <sup>2</sup>	Accounting treatment	Measuring impacts by metrics in topical standards
<b>Subsidiary</b>	Control or 50%+1 of voting rights or de facto control less than 50% of voting rights	Include 100% of assets, liabilities, income and expenses	Fully included (scope of consolidation is the same as financial reporting)
<b>Associate</b>	Significant influence, usually between 20% and 50% of voting rights; ability to influence the decision making through the appointment of a director to the board.	Investor recognises its share of profits and losses and add to value of investment in associate on balance sheet in a single line item (no proportional consolidation line by line)	<b>Operational control<sup>3</sup>:</b> GHG emissions to the extent of operational control. (ESRS 1 par. 67) Associates that are <b>actors in the value chain</b> – based on impacts connected with the undertaking's products and services through transactions. Associates with <b>other business relationships</b> (i.e. investees only) There are no specific indications for metrics in the sector agnostic standards on how to measure impacts connected with the undertaking through its associates, where they are not actors in the value chain (except for category 15 of GHG protocol).

A clarification is required given that while there are no specific indications on how the impacts connected with “associates with other business relationships” are going to be measured, it is not stated that these are not to be considered.

2. Collection of data – how many past years are required?

Kind Regards,

Malta Institute of Accountants (MIA)