

EFRAG & GRI landmark Statement of Cooperation

Working towards international sustainability reporting convergence, EFRAG Project Task Force on European sustainability reporting standards (PTF-ESRS) and GRI sign landmark Statement of Cooperation

Brussels, 8 July 2021

Building on and contributing to international convergence: a key objective of the PTF-ESRS

As from its inception in September 2020, the EFRAG Project Task Force on Non-Financial Reporting Standards (PTF-NFRS) established fruitful working relationships with European and international standard setters and initiatives fostering the progress of sustainability reporting.

The [PTF-NFRS report](#) published on 8 March 2021 benefits from the input received through these working relationships and recommends for the EU standard-setting to build on and contribute to the international sustainability reporting momentum. It also includes detailed proposals for establishing a two-way relationship with relevant initiatives under a partnering and co-construction spirit.

Two high-level meetings were organised by EFRAG together with the European Commission with leading international sustainability reporting standard setters and initiatives on 10 December 2020 and 22 March 2021. The purpose of these meetings was to promote an understanding of the objectives and agenda of each participant, and to consider possible cooperation.

On 6 May 2021, during the *High-level conference on a proposal for a Corporate Sustainability Reporting Directive – the way forward* organised by the European Commission, Executive Vice-President Dombrovskis and Commissioner McGuinness, as well as many participants, highlighted the importance of international convergence, while meeting the objectives and expectations of each jurisdiction and therefore the need to foster constructive international cooperation.

In this context, as from the beginning of June, at the request of the European Commission, the EFRAG Project Task Force on European sustainability reporting standards (PTF-ESRS) has initiated the elaboration of draft standards in project mode, building on the membership, leadership, expertise, recommendations and consensus building processes of the PTF-NFRS ([more information](#)).

Establishing a win-win co-construction relationship: a first Statement of Cooperation signed between the EFRAG PTF-ESRS and the Global Reporting Initiative (GRI)

Building on the European and international momentum creating a positive environment for a game-changing move in the crucial domain of sustainability reporting, the EFRAG

PTF-ESRS is keen to establish enhanced working relationships with relevant international initiatives under a partnering and co-construction spirit, which is a key dimension of its action plan. Appropriate interactions have been initiated.

Today, the PTF-ESRS is delighted to announce that a first Statement of Cooperation has been signed with GRI. The GRI standards are currently the most commonly used sustainability reporting standards amongst EU companies.

Both organisations will share their wealth of expertise to foster the swift development of European sustainability reporting standards and at the same time the progress of converged standards at international level. The PTF-ESRS is convinced that both organisations will as a consequence progress faster and deeper towards their common and respective goals.

Each organisation will contribute to key technical projects of its counterpart. Both organisations will have proactive observers in their respective technical groups and will promote the development of specific joint projects of common interest.

The PTF-ESRS looks forward to establishing cooperation arrangements with other leading international initiatives, including the IFRS Foundation.

Sean Berrigan, Director General for Financial Stability, Financial Services and Capital Markets Union, European Commission, said:

‘European sustainability reporting standards should build on and contribute to the progress of existing standards and frameworks that are widely used by companies. I welcome this Statement of Cooperation between the EFRAG PTF-ESRS and GRI as an important step towards promoting convergence between European and global sustainability reporting standards. I encourage similar engagement between the EFRAG PTF-ESRS and other international standard setting initiatives.’

Patrick de Cambourg, Chair of the PTF-ESRS, said:

‘In the spirit of co-construction and convergence we promote, we want to benefit from long-standing precursors and avoid reinventing the wheel, while contributing at the same time to further substantial progress globally. For ‘season 2’ of our Project Task Force, we have therefore chosen to cooperate closely with the best practitioners in the field in order to help us build robust sustainable reporting standards that will meet both the EU ambition and our commitment to contribute to global progress. GRI was an obvious first choice and we hope to find other valuable partners, soon.’

Eric Hespeneide, Chairman of the Board of GRI, said:

‘The EU and GRI are both committed to standards that are multi-stakeholder inclusive and address the impacts organisations have on the environment, society and the economy, based on international and authoritative instruments. Therefore, we look forward to contributing our knowledge and expertise to EFRAG and engaging with the PTF-ESRS in the co-construction of improved sustainability reporting standards for the benefit of all stakeholders in the EU and globally.’

Notes for editor:

1. About EFRAG (www.efrag.org)

EFRAG's mission is to serve the European public interest by developing and promoting European views in the field of financial reporting and ensuring these views are properly considered in the IASB standard-setting process and in related international debates. EFRAG ultimately provides advice to the European Commission on whether newly issued or revised IFRS Standards meet the criteria in the IAS Regulation for endorsement for use in the EU, including whether endorsement would be conducive to the European public good.

EFRAG seeks input from all stakeholders, and obtains evidence about specific European circumstances, throughout the standard-setting process and in providing our endorsement advice. Our legitimacy is built on transparency, governance, due process (which may include field tests, impact analyses and outreaches), public accountability and thought leadership. This enables EFRAG to speak convincingly, clearly, and consistently, and be recognised as the European Voice in financial reporting.

EFRAG is operating in a fast-evolving environment. It is attentive to the need to adapt its activities and its governance to meet the opportunities and challenges in corporate reporting.

2. Contact details:

For more information about EFRAG please contact: Cecile Etevenot, Communication Manager, EFRAG, 35 Square de Meeûs, B-1000 Brussels. Tel +32-(0)2 207 93 00; info@efrag.org

