

EFRAG UPDATE

OCTOBER

2024

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The EFRAG Update is published on a monthly basis to inform constituents about due process publications, public technical discussions held and decisions taken during that month.

PASSING OF HOCINE KEBLI, MEMBER OF THE EFRAG SECRETARIAT



It is with great sadness that we have learned of the passing of our dear colleague, Hocine Kebli. Hocine joined EFRAG in 2013 and was a highly experienced, talented, and knowledgeable professional. His contributions were important for EFRAG's financial reporting work on different topics during many years and from 2021 he contributed to the growth of EFRAG, supporting the establishment of the sustainability pillar and the development of the due process procedures for the sustainability reporting activities.

Hocine will be remembered not only for his expertise but also for his kindness, fairness, and humility. He was a person who touched the hearts of everyone around him, and he will be deeply missed by all of us.

Our thoughts are with his family, friends, and loved ones during this difficult time.

CALL FOR CANDIDATES: EFRAG ACADEMIC PANEL

EFRAG is extending the membership of its Academic Panel and is calling for academics in the field of corporate reporting (financial reporting and/or sustainability reporting) to apply.

Application deadline: **16 December 2024**.

The Role & Composition of the EFRAG Academic Panel

EFRAG has benefited from its [Academic Panel](#) for over seven years. The role of the EFRAG Academic Panel is to promote the cooperation between EFRAG and the academic community, to support primarily EFRAG FR TEG in providing its technical

advice to the EFRAG FRB. However, the scope of the Panel has been extended to also support EFRAG SR TEG, when relevant, in providing its technical advice to the EFRAG FRB and EFRAG SRB on research related to corporate reporting issues that are relevant to European constituents. The Panel contributes to the debate on current relevant topics by:

- providing academic input on EFRAG's projects;
- providing references to relevant academic literature and researchers that would be relevant to consider for EFRAG's projects; and
- assisting EFRAG in finalising tenders for academic studies (including formulating the research questions), selecting the successful bidder(s), and monitoring and reviewing outsourced academic work.

The Panel is not an EFRAG decision-making body but advisory in nature.

The Panel is expected to have one physical meeting and one virtual meeting per year, with the possibility to have additional virtual meetings. Advice and other input will also sometimes be sought via email, telephone, video conferencing or other electronic means. EFRAG will cover the travel expenses for the physical meetings in Brussels (the meetings will be organised so as to enable most members to travel to and from Brussels on the same day).

The indicative size of the EFRAG Academic Panel is 18 members. The Terms of Reference can be downloaded [here](#).

Candidate Profile

Successful candidates should be specialised in corporate reporting and notably in IFRS Accounting Standards and/or sustainability reporting issues and should be knowledgeable about European specificities.

Current members are eligible for reappointment, taking into account a balanced overall composition of the EFRAG Academic Panel.

Application Process

Nominations can be submitted by candidates or by organisations on their behalf. Applications should include a covering letter indicating the areas of corporate reporting in which the candidate has specialised, a CV and a list of publications.

Applications should be submitted to EFRAG using this [form](#) no later than 16 December 2024.

Inquiries

For inquiries about the EFRAG Academic Panel, please contact:

- Associate Director Rasmus Sommer: Rasmus.Sommer@EFRAG.org
- EFRAG CEO Saskia Slomp: Saskia.Slomp@EFRAG.org

EFRAG CONFERENCE 2024 – 10/12/2024

EFRAG is hosting its third annual conference, "Advancing Transparency & Competitiveness in Challenging Times", in Brussels. The event will highlight EFRAG's progress in sustainability reporting and new developments in financial reporting.

Meet our keynote speakers

We are pleased to introduce some of the keynote speakers who will share their insights on the evolving corporate reporting landscape at the event. The keynote speakers include:

- Andreas Barckow, IASB Chair
- Patrick de Cambourg, EFRAG SRB Chair
- Emmanuel Faber, ISSB Chair
- Wolf Klinz, EFRAG FRB Chair
- Ilhan Kyuchyuk, Committee on Legal Affairs Chair, European Parliament
- Martin Merlin, Director, DG FISMA European Commission
- Mary Schapiro, Vice Chair for Global Public Policy and Special Advisor to the Founder & Chairman, Bloomberg
- Jean-Paul Servais, IOSCO & FSMA Chair
- Lara Wolters, Vice-Chair Committee on Legal Affairs and member Committee on Economic and Monetary Affairs, European Parliament

These high-level experts will share their insights on the latest trends in corporate reporting, highlighting significant progress in sustainability reporting and exploring new developments in financial reporting.

The Save the date is available [here](#).

Don't miss this event if you want to stay updated on the latest trends in corporate reporting!

When & Where:



- Tuesday 10 December 2024, 9:00 - 17:15 CET followed by drinks.
- Venue: The Hotel Brussels, 38 Bd de Waterloo.

Registration:

- Click [here](#) to register. Please note this is a physical event with online participation possibility. In-person registration is subject to confirmation.

EFRAG'S FINANCIAL REPORTING ACTIVITIES

CALL FOR CANDIDATES

New deadline: Join the EFRAG Financial Reporting TEG by 30 November 2024

The deadline to apply for the EFRAG Financial Reporting TEG has been extended to **30 November 2024**.

EFRAG is calling for technical experts in accounting and financial reporting with a wide range of backgrounds and geographical origins to join its Financial Reporting Technical Expert Group (EFRAG FR TEG). EFRAG FR TEG provides technical advice to the EFRAG Financial Reporting Board (EFRAG FRB) related to IFRS pronouncement, endorsement advice to the European Commission and proactive research work.

EFRAG welcomes all candidates from the European Economic Area. EFRAG strives for a proper professional background, geographical, gender and diversity balance in the composition of EFRAG FR TEG. EFRAG in particular welcomes candidates with a user/investor background. Knowledge of financial instruments reporting is a plus. Appointments will begin on 1 April 2025 and will be for one or two years.

Submissions including the name, CV and motivation letter of proposed candidates should be sent to the attention of Benoit Jaspar, Chair of the Extended FRB EFRAG Administrative Board Nominating Committee, at nominations@efrag.org. Submissions should be sent by **30 November 2024**.

Read the full call for candidates [here](#).

EFRAG calls for new members of its EFRAG Rate-regulated Activities Working Group

EFRAG is renewing its Rate-regulated Activities Working Group (EFRAG RRAWG) to support the endorsement process for a new IFRS Accounting Standard on regulatory assets and liabilities, expected in late 2025. The group seeks additional members, particularly from preparers and users, with expertise in rate-regulated environments and financial reporting.

Current members are eligible for reappointment, taking into account a balanced overall composition of the EFRAG RRAWG.

The size of the group is limited to around 20 members.

Applications, in the form of a CV and a cover letter, should be sent to EFRAG at nominations@efrag.org no later than **15 December 2024**.

The Terms of Reference can be downloaded [here](#).

For more details, please see the [EFRAG website](#).

OTHER NEWS

IASB Launches Surveys on Accounting Requirements for Intangibles - EFRAG Encourages Stakeholder Participation by 30 November 2024

The IASB has recently launched separate surveys for investors and companies and other stakeholders to gather feedback on the accounting requirements for intangibles. As this is a crucial project for European constituents, EFRAG encourages stakeholders to complete the relevant survey by **30 November 2024**. If applicable, respondents are also invited to provide insights on specific categories of intangibles.

The surveys, which should take no more than 20 minutes to complete, will help the IASB to determine:

- the problem that the IASB needs to solve;
- the scope of the project; and
- how the IASB should best stage the work to deliver timely improvements

The surveys are open until **30 November 2024**. The survey results will be discussed at an IASB meeting in early 2025.

- Access the [survey for investors](#).
- Access the [survey for companies and other stakeholders](#).

For more details, please see the [EFRAG website](#).

PUBLICATIONS

Final Endorsement Advice

On 9 October 2024, EFRAG completed its due process regarding *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures) ('the Amendments') and has submitted its **Endorsement Advice** to the European Commission.

The Amendments mainly respond to a request from stakeholders to clarify some aspects of the application guidance for assessing the contractual cash flow characteristics of financial assets and accounting for the settlement of financial liabilities through electronic payment systems and are effective for annual periods beginning on or after 1 January 2026 with earlier application permitted.

EFRAG assesses that the Amendments meet all technical endorsement criteria of the IAS Regulation and are conducive to the European public good. It therefore recommends endorsement of the Amendments for use in the European Union and European Economic Area.

For more details, please see the [EFRAG website](#).

Draft Endorsement Advice

Draft Endorsement Advice on IFRS 18 Presentation and Disclosure in Financial Statements

On 15 November 2024, EFRAG published its [Draft Endorsement Advice](#) on IFRS 18 *Presentation and Disclosure in Financial Statements* and invites stakeholders to submit comments by **26 March 2025**. EFRAG's preliminary conclusion is that IFRS 18 satisfies the criteria for endorsement for use in the EU, and therefore recommends IFRS 18 for its endorsement.

Objective of IFRS 18

IFRS 18 aims to enhance the usefulness of information presented and disclosed in the financial statements, addressing stakeholder feedback, especially from users requesting better information about companies' financial performance. IFRS 18 impacts the presentation of financial information of each entity. It aims to improve the way companies communicate information in their financial statements, providing investors a better basis for analysing and comparing companies' performance.

IFRS 18 New Requirements in relation to the:

- **Presentation of New Subtotals:** The standard introduces defined subtotals in the statement of profit or loss, along with a consistent classification of income and expenses into five categories.
- **Disclosure of Management-Defined Performance Measures (MPMs):** IFRS 18 requires disclosures related to MPMs to provide better clarity on company performance.
- **Enhanced Grouping and Aggregation Requirements:** It improves the grouping, aggregation, and disaggregation of information in both the primary financial statements and the notes.

EFRAG's Preliminary Assessment

EFRAG suggests that IFRS 18 satisfies the technical endorsement criteria. EFRAG notes that IFRS 18 was issued by the IASB after reaching consensus and conducting extensive consultations, including input from European stakeholders. While some concerns and mixed views on specific topics were raised by stakeholders, EFRAG believes that these do not prevent IFRS 18 from meeting the qualitative technical criteria.

Moreover, EFRAG's preliminary conclusion is that IFRS 18 would improve financial reporting and achieves a reasonable cost-benefit balance. EFRAG has not identified any adverse effect on the European economy, including financial stability and economic growth. Accordingly, EFRAG recommends IFRS 18 for its endorsement.

Invitation for Feedback

EFRAG invites its constituents to provide feedback on all aspects of its analysis supporting the preliminary conclusions by **26 March 2025**.

To share comments on the [draft endorsement advice letter](#):

1. Download and complete the [invitation to comment form](#)
2. Submit your completed form [here](#)

For more information, access the updated [Endorsement Status Report](#).

Draft Endorsement Advice on the Annual Improvements to IFRS Accounting Standards–Volume 11

On 9 October 2024, EFRAG published its [Draft Endorsement Advice](#) on the Annual Improvements to IFRS Accounting Standards–Volume 11 ('[the Amendments](#)').

EFRAG's overall preliminary assessment is that the Amendments satisfy the criteria for endorsement for use in the EU and therefore recommends its endorsement. EFRAG is seeking comments on all aspects of its analysis supporting the preliminary conclusions, including whether and to which extent the amendment to IFRS 9 related to the derecognition of lease liabilities would impair the European public good.

The deadline for comments is **22 November 2024**.

For more details, please see the [EFRAG website](#).

Draft Comment Letter

On 13 November 2024, EFRAG published its [Draft Comment Letter](#) ('DCL') on the IASB's Exposure Draft ('ED') ED/2024/7 [Equity Method of Accounting, IAS 28](#)

[Investments in Associates and Joint Ventures \(revised 202x\)](#). Feedback to EFRAG's DCL should be received by **6 January 2025**.

The IASB ED proposes amendments to IAS 28 to address existing application questions related to the equity method of accounting. To complement the proposed amendments, the ED also proposes improvements to the disclosure requirements in IFRS 12 *Disclosure of Interests in Other Entities* and IAS 27 *Separate Financial Statements*. The ED was published on 19 September 2024 and is open for comments until 20 January 2025.

EFRAG's DCL considers the ED's proposed amendments to be a positive step towards addressing existing application challenges, reducing diversity in practice in application of IAS 28 requirements, enhancing their understandability, and improving comparability. In particular, the DCL supports several of the ED's proposals including the measurement of cost of an associate or joint venture, treatment of gains or losses from transactions with an investee (associate or joint venture), disclosure requirements, and impairment indicators.

At the same time, the DCL points to several areas where further simplification, clarifications, and amendments are necessary. Specifically, there is need for simplification of the proposed layered approach to be applied when acquiring additional ownership interests while retaining significant influence. The DCL does not support the ED's proposals related to other changes in ownership interest and instead calls for a holistic, principle-based solution. It also calls for further clarification of the ED's proposals related to the recognition of losses when the carrying amount of the investment has been reduced to nil.

EFRAG has got mixed views on the ED's proposals related to separate financial statements' treatment of investments in subsidiaries. The DCL seeks further feedback on this matter including on the alternative view expressed in the ED. It also notes the mixed views on proposed transition requirements related to the treatment of contingent consideration and previously unrecognised gains or losses from transactions with investees and seeks constituents' suggestions for alternative approaches.

[Submit your comments](#) through by **6 January 2025**.

Feedback Statement

On 15 October 2024, EFRAG published its [Feedback Statement](#) on the IASB's ED/2024/1 [Business Combinations–Disclosures, Goodwill and Impairment](#) (Proposed amendments to IFRS 3 and IAS 36) ('the ED').

The [Feedback Statement](#) summarises constituents' feedback to EFRAG with respect to the IASB's Exposure Draft and explains how this feedback was considered in developing EFRAG's Final Comment Letter.

Read more about constituents' feedback to:

- **IFRS 3:** most stakeholders supported the IASB's goal of enhancing information on business combinations, but concerns were raised by preparers, auditors and national standard setters about some key aspects of the IASB's proposals; and
- **IAS 36:** most constituents were not convinced that the proposed amendments would lead to changes in current practices or effectively meet the IASB's objective of reducing the effects of shielding and management over-optimism.

The IASB published the [ED](#) on 14 March 2024. Thereafter, on 22 July 2024, EFRAG published its [Final Comment Letter](#) after receiving comments on its [Draft Comment Letter](#) published on 30 April 2024.

For more details, please see the [EFRAG website](#).

EFRAG FINANCIAL REPORTING BOARD (EFRAG FRB) AND EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (EFRAG FR TEG)

Physical Meeting on 8 October 2024

EFRAG FRB and EFRAG FR TEG held a physical meeting on [8 October 2024](#) and discussed the following topics:

EFRAG FR Due Process Procedures

EFRAG FRB and EFRAG FR TEG discussed the Exposure Draft [Due Process Procedures for the EFRAG Financial Reporting Activities](#). Members asked various clarifying questions and provided suggestions on the outreach to be carried out.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)

EFRAG FRB and EFRAG FR TEG discussed the feedback received on Draft Endorsement Advice on the *Amendments to the Classification and Measurement of Financial Instruments* and approved Final Endorsement Advice for publication subject to minor comments and drafting suggestions.

EFRAG FRB and EFRAG FR TEG assesses that the Amendments meet all technical endorsement criteria of the IAS Regulation and are conducive to the European public good. EFRAG FR TEG recommended the positive endorsement advice for approval by EFRAG FRB. The endorsement advice was approved for issue by EFRAG FRB.

IASB Project *Dynamic Risk Management (DRM)*

EFRAG FRB and EFRAG FR TEG were provided with an update on the project and to ask for views on the timing and approach to field testing. Members agreed that the field testing should be open to multiple banks rather than a single bank. In addition, EFRAG FRB agreed that a letter should be sent to the IASB indicating that while not opposing the publication of the Exposure Draft, the IASB needed to setup a working group, as soon as possible, in order to develop a solution that addresses the needs of insurers.

IFRS 19 *Subsidiaries without public accountability: Disclosures*

EFRAG FRB and EFRAG FR TEG members were informed about the [request for endorsement advice](#) received from the European Commission on IFRS 19 *Subsidiaries without public accountability: Disclosures* and the specific additional requests included in the letter. Members were provided with an overview of EFRAG's proposed endorsement plan. EFRAG FRB and EFRAG FR TEG members were generally supportive of the endorsement plan, and it was approved by EFRAG FRB.

IASB Project *Equity Method*

EFRAG FRB and EFRAG FR TEG members provided their views on the IASB's Exposure Draft *Equity Method of Accounting, IAS 28 Investments in Associates and Joint Ventures (revised 202X)* (the 'ED'). Members noted that alongside practical questions addressed, the ED raised some fundamental issues which complexity, breadth and cross-cutting nature warranted the project to be considered as significant.

In addition, members discussed and agreed on the outreach activities and due process to be undertaken by EFRAG in order to answer the questions of the ED.

Annual Improvements to IFRS Accounting Standards - Volume 11

EFRAG FRB discussed EFRAG's Draft Endorsement Advice ('DEA') on the *Annual Improvements to IFRS Accounting Standards - Volume 11* as recommended by EFRAG FR TEG. Some members shared the reasoning behind the dissenting opinion expressed by one EFRAG FR TEG member and suggested to seek constituents' view to assess whether the amendment to IFRS 9 *Financial Instruments* would impair the

European public good increasing its conflict with IFRS 16 *Leases*. EFRAG FRB approved the publication of the DEA.

EFRAG Research project *Cash flow reporting*

EFRAG FRB discussed EFRAG's Discussion Paper ('the DP') on the statement of cash flows, as recommended by EFRAG FR TEG at its September 2024 meeting. Members provided their comments, which were mainly editorial, and approved the DP for publication. The EFRAG Secretariat will incorporate EFRAG FRB's comments and will shortly proceed to the publication of the DP.

Next meeting

EFRAG FRB and EFRAG FR TEG to hold a next joint meeting on 20 December 2024 to discuss the IASB project *Power Purchase Agreements*.

EFRAG FINANCIAL REPORTING BOARD (EFRAG FRB)

The EFRAG FRB did not have a separate meeting in October 2024. For the joint meeting with EFRAG FR TEG on 8 October please see above.

EFRAG FRB October 2024 written procedures

EFRAG FRB did not approve any documents using written procedures in October.

EFRAG FRB expected November 2024 written procedures

EFRAG FRB is expected to approve the following documents using written procedures in November 2024:

- EFRAG's Final Comment Letter on the IASB's Exposure Draft *Translation to a Hyperinflationary Presentation Currency* - Proposed amendments to IAS 21.

EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (EFRAG FR TEG)

Physical Meeting on 7 October 2024

EFRAG FR TEG held a physical meeting on [7 October 2024](#) and discussed the following topics:

IASB Project *Dynamic Risk Management*

EFRAG FR TEG discussed the June and July 2024 IASB's tentative decisions on the project. There was general agreement regarding the presentation requirements and the optional application of the DRM model. There were some concerns raised about the insurers' risk management practices not being adequately considered.

No decisions were taken at the meeting.

IFRS 18 *Presentation and Disclosure in Financial Statements*

EFRAG FR TEG discussed selected parts of the Draft Endorsement Advice ('the DEA') and were asked specifically about the structure and level of detail of Appendix 2 in which the technical endorsement criteria are assessed and the part of Appendix 3 in which the Effects to European Economy are assessed. EFRAG FR TEG members were generally satisfied with the content and structure of Appendices 1 Understanding the changes brought by IFRS 18 and the Cost and Benefits Assessment included in Appendix 3.

No decisions were taken at the meeting. The DEA is expected to be discussed and recommended for approval by EFRAG FRB in the EFRAG FR TEG November meeting.

IASB project *Power Purchase Agreements (amendments to IFRS 7 and IFRS 9)*

EFRAG FR TEG discussed the IASB's tentative decisions on the scope of the proposed amendments and the own-use amendments. EFRAG FR TEG members were generally satisfied with the decisions though they raise a few questions to understand some of the details and how the amendments would work under specific circumstances.

No decisions were taken at the meeting.

IASB Research Project *IFRS 9 Amortised Cost Measurement*

EFRAG FR TEG received a brief introduction of the project and were asked to provide first high-level views on the IASB's approach, timing and priorities of the project.

EFRAG FR TEG generally supported "targeted improvements" approach, proposed by the IASB as well as the list of issues. Members noted that the practice might have evolved since some of the issues were collected and noted that changes to the current practice should be introduced with prudence.

No decisions were taken at the meeting.

EFRAG Research Project *Equity Instruments at FVOCI (recycling)*

EFRAG FR TEG were provided with an overview, and discussed, the findings from a desktop review of a sample of 2023 annual reports of insurers regarding non-recycling of gains and losses relating to equity instruments measured at fair value through other comprehensive income. It was agreed for further work to be conducted closer to preparing for the Post Implementation Review of IFRS 17.

Next meeting

EFRAG FR TEG will hold a next meeting on [4 November](#) and [5 November 2024](#).

OPEN CONSULTATIONS

Title and description	Closing date
EFRAG's Draft Endorsement Advice on the Annual Improvements to IFRS Accounting Standards–Volume 11	22 November 2024
EFRAG's Exposure Draft <i>Due Process Procedures for Financial Reporting</i>	31 December 2024
EFRAG's Draft Comment Letter on the IASB's Exposure Draft <i>Equity Method of Accounting, IAS 28 Investments in Associates and Joint Ventures (revised 202x)</i>	6 January 2025
EFRAG's Draft Endorsement Advice on IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	26 March 2025

For more information, please see [EFRAG's consultations page](#).

EFRAG'S SUSTAINABILITY REPORTING ACTIVITIES

CDP AND EFRAG ANNOUNCE EXTENSIVE INTEROPERABILITY BETWEEN CDP QUESTIONNAIRE AND EUROPEAN SUSTAINABILITY REPORTING STANDARDS

At COP29, EFRAG and CDP, the global independent disclosure system for companies to measure and manage their environmental impacts, announced extensive commonality and interoperability between CDP and ESRS. This marks a significant step towards both organizations' shared goals of creating efficiency in the environmental data ecosystem.

Joint mapping efforts have revealed a substantial commonality between CDP's questionnaire and the ESRS climate standard (ESRS E1), with provisional mapping by the organizations revealing that such a high level of commonality benefits companies both ways: ESRS E1 reporters will find it easier to complete CDP disclosures, while CDP disclosing companies will be well prepared for ESRS E1 reporting requirements. This will be detailed in a comprehensive mapping to be published early next year, ahead of the 2025 CDP disclosure cycle

The EFRAG-CDP cooperation includes several key initiatives aimed at reducing the reporting burden for companies while supporting global organizations to implement the Corporate Sustainability Reporting Directive (CSRD). Following today's announcement of the existing commonality between CDP's platform and ESRS E1, CDP will deliver insights on ESRS-aligned response data to the market. CDP will also explore strengthening the alignment of its questionnaire with ESRS E1 in 2025. CDP and EFRAG will collaborate to publish mapping guidance between the ESRS and 2025 CDP questionnaire to support companies in the upcoming disclosure cycle. Additionally, a comprehensive market research project will engage both organizations as well as disclosers and data users to identify the ESRS datapoints needed to inform future CDP questionnaire developments.

Download the [press release](#).

EFRAG EXTENDS TENDERS DEADLINE FOR THE ESRS KNOWLEDGE HUB AND RELEASES ADDENDUM 2

On 20 September 2024, EFRAG issued an open call for tenders to assist it in developing a robust ESRS knowledge hub application with a deadline for application of 31 October 2024. The deadline was now extended to **18 November 2024**. By this deadline, tenders should be sent to call.for.tender@EFRAG.ORG.

The components of this call for tenders can be found in the following links:

- [The Call for Tenders](#)
- [Addendum 1](#)
- [Addendum 2](#)
- [The Information Form](#)
- [The Draft Contract](#)

The objective of the contract is for the provider to assist EFRAG in building a unique, comprehensive, interactive and modern electronic web database (the platform or 'hub'). The platform will comprise all the materials necessary to find, understand, implement and work on ESRS. This will facilitate the implementation work of preparers and the preparation of analysts and other users ('set up phase'). This phase requires a proposal for both the technological tool to be delivered and, as initial content, the inclusion of all ESRS materials until a set date (tentatively 30 September 2025). These materials would include the ESRS themselves, implementation guidance (IG), Q&A Platform Explanations, XBRL Taxonomies related to the ESRS, interoperability guidance, etc.

In addition, the proposal must indicate, as an option, the proposed terms and conditions for the maintenance (maintenance phase) of the platform, both from a technical perspective and from a content perspective. This will include new documents to be added after the set-up phase since the platform will have to be constantly enhanced and updated. The provider should also indicate the scalability of the tool supporting the increase of documents and the growth of users.

The European Commission has been empowered to offer a grant to EFRAG so that it can improve its due process in the preparation of ESRS and implementation support. This contract is procured in this context. The award is subject to EFRAG receiving final notification of the grant.

EFRAG replied to the inquiries received related to the open call for tenders in [Addendum 1](#) and [Addendum 2](#), in addition to the information already contained in the [Call for Tenders](#).

FRIENDS OF EFRAG GATHER IN BRUSSELS TO DISCUSS SUSTAINABILITY REPORTING INITIATIVES

On 24 October 2024, EFRAG had the pleasure of hosting the Friends of EFRAG - Sustainability Reporting for the inaugural **Engage & Exchange session**. With both virtual and in-person participants, the experts engaged in insightful discussions on key topics like **Transition Plans, Implementation Support, Double Materiality,** and **XBRL ESRS Set 1 Taxonomy**. EFRAG provided valuable insights and addressed questions and challenges raised by the Friends of EFRAG.

A big thank you to Friends of EFRAG for joining! EFRAG looks forward to welcoming even more participants in future sessions as the community continues to grow.

For more information about Friends of EFRAG, click [here](#).

EFRAG'S FINANCIAL INSTITUTION PANELS PHYSICAL MEETINGS

The three EFRAG Financial Institution Advisory Panels (FIAP) met in Brussels on 14 and 15 October 2024. The goal was to assess the collective research done in the past few months since the launch of the panels in February 2024, in preparation of the future Sector ESRS. More than 60 experts attended the meetings in person with some joining virtually. The panels contributed in the past few months to the content of the sector classification approach for the three sectors. They also provided input to the EFRAG Secretariat on the matters to be covered in the future sector standards, as well as on the areas of sector agnostic standards that need implementation specifications at sector level. In the next phase the EFRAG Secretariat, with continuing input by the experts of the panels, will continue the work to define the content of the future exposure drafts. This will enable the advancement of the preparation of proposed content to be discussed in plenaries of the panels at the beginning of 2025. EFRAG thanks the members of the Financial Institution Advisory Panels for their time, energy and continuing contributions with this important task.



Please find more information about the EFRAG FIAP [here](#).

THE EFRAG SR TEG APPROVES THE VSME STANDARD

On 24 October 2024, the EFRAG SR TEG approved to recommend the voluntary standard on sustainability reporting for SMEs ('VSME') for issuance to the EFRAG SRB. The current version reflects the outcomes of the public consultation, field test and of the workshops with banks and VSMEs representatives held during September.

This milestone marks a significant step forward in EFRAG's commitment to support SMEs, developing a proportionate reporting standard to replace the uncoordinated questionnaires that they receive from counterparties. The approval from EFRAG SR TEG underscores the importance of creating tailored frameworks that address the unique needs and challenges of SMEs in voluntary sustainability reporting. EFRAG eagerly anticipates the EFRAG SRB's decision, which would pave the way for the standard's broader implementation and impact.

SAVE THE DATE: WEBINARS ON ESRS FOR NON-EU GROUPS | 19-20 NOVEMBER 2024

ESRS for Non-EU Groups

Per article 40a of the CSRD, non-EU companies that generate over EUR 150 million per year in the EU and that have in the EU either a branch with a turnover exceeding EUR 40 million or a subsidiary that is a large company or a listed SME will have to report on the sustainability impacts at the group level of that non-EU company as from financial year 2028, with first sustainability reports published in 2029. The CSRD foresees the adoption of separate standards for this purpose; these are referred to as ESRS for Non-EU Groups or NESRS in short.

EFRAG will consult in the beginning of 2025 for 120 days on an Exposure Draft and release the final standards at the end of the year.

In these webinars, with the participation of the European Commission, EFRAG will illustrate the standard setting approach and key content of NESRS.

Dates and times:

- Tuesday 19 November 2024, from 09:00 to 10:30 (CET); 13:30 to 15:00 (IST); 16:00 to 17:30 (CST and HKT) 17:00 to 18:30 (JST and KST); 19:00 to 20:30 (AEDT)
- Tuesday 19 November 2024, from 14:00 to 15:30 (CET); 13:00 to 14:30 (GMT); 15:00 to 16:30 (SAST)
- Wednesday 20 November 2024, from 18:00 to 19:30 (CET); 12:00 to 13:30 (EST); 14:00 to 15:30 (BRT); 09:00 to 10:30 (PST)

Please log your interest for the relevant session [here](#).

EFRAG SUSTAINABILITY REPORTING BOARD (SRB)

Meeting date	Topics covered
2 October 2024	Non-EU ESRS (closed) Mining, Quarrying and Coal sector standard (public)
16 October 2024	Non-EU ESRS (closed and public) LSME (public) Mining, Quarrying and Coal sector standard (public) VSME (public) Q&A (public)
30 October 2024	VSME (public) LSME (public) Q&A (public)

The next EFRAG SRB meeting will be held on [13 November 2024](#).

Sector Standards: Mining, Quarrying and Coal

The EFRAG SRB considered the draft exposure draft of MQC, in preparation of the approval. Given the wide overlap between MQC and oil and Gas ('OG') and as the EFRAG SRB has approved the technical content of OG, the focus in the approval was on the differences between the two EDs. EFRAG Secretariat addressed the contents of a letter recently received from an industry association and illustrated the possible editorial changes needed to incorporate the feedback. The EFRAG SRB discussed interoperability, based on the mapping prepared by the Secretariat showing the correspondence of the disclosures in the draft with the respective sources (including SASB and GRI). Members asked to receive a clarification of whether datapoints are more (or less) granular than sources, in particular GRI. The EFRAG SRB also inquired on the type of companies that participated to the outreach activities so far and the EFRAG Secretariat clarified that smaller companies were also engaged. Considering the changes proposed to reflect the comments in the letter of the industry association, the EFRAG SRB will vote at a future meeting and will consider a revised draft.

On 16 October 2024, the EFRAG SRB continued the discussion and received a presentation of how the EFRAG SRB comments have been addressed. Members discussed the need for the disclosure on mineral reserves. Linked to this, there is a need for comparable disclosure methodologies in some critical areas of this ED, such the list of countries with high levels of corruption. If possible additional definitions should be included in the ED to avoid reduced comparability. The term business also needs clarification. They also noted the need to link some of the

disclosures to ISO standards and to shorten the list of questions for the consultation. A vote will take place at a future meeting.

ESRS for Non-EU Groups (NESRS)

On 16 October 2024, the EFRAG SR TEG Chair provided feedback on the EFRAG SRB private discussion and explained that generally, non-EU companies will follow the same standards as EU companies, excluding risks and opportunities as required by CSRD. NESRS will require reporting on impacts on a global basis (i.e. the consolidated group), with an option for topics other than climate, to exclude the impacts relating to sale of goods or provision of services to natural or legal persons outside the European Union. The EFRAG SRB approach agreed on this approach in the private session. Testing it during the public consultation will be key: some EFRAG SRB members expressed concerns whether this could impact the level playing field to European peers and on the practical feasibility.

VSME

On 16 October 2024, there was an update on the structural changes of the revised VSME following the public consultation. The main outcome was that the Additional Financial Institution Module is now deemed as unnecessary, as the relevant information has been incorporated in the other two modules or deprioritised in agreement with the users based on feedback obtained in the workshops. Discussion points included a simplified taxonomy, Scope 3 emissions being the same approach as for VSME ED, the percentage pay gap as a voluntary datapoint, the interaction between the Basic Module and the Comprehensive Module. The initiation of EFRAG SRB approval will take place on 30 October 2024. The EFRAG Secretariat will consult EFRAG SRB and the EFRAG SR TEG on the Basis for conclusions shortly after EFRAG SRB approval.

Q&A

On 16 October 2024, the EFRAG SRB and the EFRAG Secretariat discussed both Categorisations and Explanations. ID 787 was rejected as IG 2 already presents an answer for it. The next steps will be to address editorial comment on the 27 IDs approved before publishing. A group of questions related to consolidation needs further discuss: ID 166- *Scope of consolidation timing of acquisitions and divestments*, ID 1057- *Targets, only qualitative?* and ID 787- *sustainability reporting rules for consolidation*.

LSME

On 16 October 2024, the EFRAG Secretariat updated the EFRAG SRB on the status of the work:

- the IG on application requirements and voluntary datapoints,
- the value chain cap for standard-setting activities,
- the workshops conducted with investors, users, and ESMA,
- the SFDR Tables and some corrections on language misalignment with Set 1, and
- improved references to IG 2.

Then, the EFRAG SRB discussed the capacity of undertakings in scope of the LMSE to report the current content of the standard. The representative of the European Commission underscored the importance of the value chain cap, which is an essential element of the CSRD. Finally, the EFRAG SRB highlighted the new provision in the standard which exempts parent companies of a large group with immaterial subsidiaries from consolidated sustainability reporting and grants them the possibility to apply the LSME standard, if this large group is exempted from preparing and publishing consolidated financial statements based on Article 23(10) of the Accounting Directive.

EFRAG SUSTAINABILITY REPORTING TECHNICAL EXPERT GROUP (SR TEG)

Meeting date	Topics covered
7 October 2024	VSME (public) LSME (public)
10 October 2024	LSME (public) VSME (public)
17 October 2024	LSME (public)
22 October 2024	VSME (public) LSME (public) Non-EU ESRS (public)
24 October 2024	LSME (public) Q&A (public)
29 October 2024	Q&A (public)

The next EFRAG SR TEG meeting will be held on [4 November 2024](#).

VSME

On 7 October 2024, the EFRAG SR TEG discussed the revised basic (disclosures B10 and B11) and comprehensive module. The EFRAG SR TEG members raised concerns about wage disclosures, where the EFRAG Secretariat agreed to provide further explanation in the guidance. Another discussion concerned the employee

thresholds to be used, specifically about keeping in line with the Pay Transparency Directive. The EFRAG Secretariat noted the discussion and proposed to keep the threshold at 100 employees for the time being. On the comprehensive module, the discussion mainly concerned Scope 3 emissions and gender diversity, without any significant changes implemented. Lastly the EFRAG SR TEG discussed insurance coverage and agreed to delete the specific datapoint.

On 10 October 2024, the EFRAG SR TEG continued discussing the basic and the comprehensive modules. The EFRAG SR TEG agreed on several adjustments, concerning timing and location of the sustainability report, classified and sensitive information, and the basis for preparation. Several EFRAG SR TEG members had comments on the Taxonomy Module, which is a specific request from the Platform on Sustainable Finance. The EFRAG Secretariat noted the comments. The EFRAG SR TEG further discussed the issue of circular economy principles and agreed on a revision of the text. Lastly the EFRAG SR TEG revisited the discussion of employee thresholds from last meeting and agreed to rephrase the threshold following the Pay Transparency Directive.

On 22 October 2024, the EFRAG SR TEG continued discussing the comprehensive module. The EFRAG SR TEG discussed and agreed on revising the datapoints concerning female to male ratio and non-employees. Datapoints on human right policies, processes and incidents were discussed thoroughly, with minor changes agreed upon. The EFRAG SR TEG agreed to remove the place holder to the future simplified Taxonomy for SMEs (therefore there will only be two modules) awaiting clarity from the Platform of Sustainable Finance on the requirements of the disclosure. At the end of the meeting, the EFRAG SR TEG approved the VSME standard by vote. All EFRAG SR TEG members supported to recommend the EFRAG SRB to issue the VSME.

LSME

On 7 October 2024, the EFRAG SR TEG discussed the revised sections 4, 5 and 6. Adjustments were made to water, biodiversity, and resource flow disclosures to align with EU goals and industry feedback. Social metrics were adjusted to focus on workforce-specific data. Lastly, the simplified business conduct disclosures were presented without objections.

On 10 October 2024, the EFRAG SR TEG continued discussing sections 1, 2 and 3 of the LSME. EFRAG Secretariat started by clarifying that the LSME IG will also be part of the approval of the Revised LSME by EFRAG SR TEG. A lengthy discussion of individual datapoints followed, where several EFRAG SR TEG members provided remarks. EFRAG Secretariat explained their views and noted the feedback.

On 17 October 2024, the EFRAG SR TEG continued discussing the topical sections of the LSME, aiming to initiate the approval process. The EFRAG SR TEG had a lengthy discussion on E4-1 and its connection to the other DRs, and agreement were reached on several revisions.

On 22 October 2024, the EFRAG SR TEG continued the initiation of the approval process. SR TEG Chair started by acknowledging the issue of value chain cap discussed in the last meeting. Discussions moved to classified and sensitive information, where related paragraphs had been aligned with the approach taken in Set 1, to the satisfaction of the EFRAG SR TEG members. Then followed discussions on subsidiaries and phase-ins, and lastly a discussion on SFDR datapoints approach related to the LSME.

On 24 October 2024, the EFRAG SR TEG continued discussions on the LSME, with the objective of recommending to the SRB to issue the Exposure Draft. The EFRAG SR TEG agreed to keep the GOV-2 Due Diligence as mandatory, as this is conditional it only applies to undertakings having a due diligence process in place. The EFRAG SR TEG moved to a lengthy discussion on the SFDR datapoints approach discussed in the last meeting. EFRAG Secretariat presented a proposal for a context index for EU datapoints. The EFRAG SR TEG moved on to discuss individual datapoints. EFRAG Secretariat agreed to several actions and revisions.

ESRS for Non-EU Groups

On 22 October 2024, the EFRAG Secretariat updated the EFRAG SR TEG on the EFRAG SRB discussions and presented the results from the EFRAG SR TEG written survey. The plan is for the EFRAG SRB to approve the standards by December 2024, and the public consultation to start in January 2025. This is driven by the requirement to deliver the final drafts as technical advice to the European Commission by the end of 2025. The focus of the standard is to protect EU consumers, and the undertaking shall disclose about impacts of products and services to EU natural and legal persons. The feedback from the EFRAG SR TEG survey on the exclusion/inclusion of datapoints in set 1 was discussed. The importance of an interoperability appendix to be included in the consultation package was emphasised as it would help those who apply the ISSB standards when applying Non-EU ESRS.

Q&A

On 24 October 2024, the EFRAG SR TEG discussed the Q&As, with the objective of approving categorisations and explanations. The need for a precise definition of business partner to align with the CSDDD was raised without agreement on a specific change to the Q&A. On a concern regarding an explanation of “near

biodiversity areas," the EFRAG Secretariat considered the current definition clear. The rest of the session concerned specific drafting suggestions for individual questions.

OTHER INVOLVEMENT IN SUSTAINABILITY REPORTING

Platform on Sustainable Finance (PSF)

EFRAG is an official observer in the second mandate of the Platform on Sustainable Finance and is represented by Kerstin Lopatta, EFRAG SRB Vice-Chair. EFRAG participates in *Usability and Data* (SG1) and in the *Technical Working Group advising on the technical screening criteria* (SG2).

The 18th plenary meeting of the Platform took place on 23 October 2024 with updates of the subgroups and Technical Working Group on their ongoing work including presentations of the Transitions Plans.

The 19th special plenary meeting of the Platform will take place on 26 November 2024 with as agenda points the preliminary adoptions of the SME report and the transition plan report.

VACANCIES

CORPORATE – BOTH PILLARS

Internship - Digital Reporting (XBRL Taxonomy)

Support the EFRAG sustainability reporting activities in developing draft European Sustainability Reporting Standards (ESRS) in the area of [digital corporate sustainability reporting in XBRL](#).

The digital sustainability XBRL taxonomies developed by EFRAG will be used by thousands of companies to make their human-readable sustainability statements machine-readable.

The internship role entails giving support to the work conducted by EFRAG's technical staff in the drafting of technical documents, regular engagement with EFRAG's governance bodies (EFRAG Reporting Technical Expert Groups and Reporting Boards), international XBRL experts, working groups and the outreach to a broad range of external stakeholders including preparers, users, national standard setters, auditors and regulators.

What We Offer

Through the internship you will gain:

- unique professional experience in corporate reporting standard-setting activities in a dynamic and multi-cultural environment as well as direct interaction with a rich network of corporate reporting stakeholders;
- the opportunity to work closely with experienced professionals and executives;
- exposure to the European and global corporate reporting sectors;
- practical knowledge in your area of study; and
- hands-on work experience, with the possibility of receiving an offer for a temporal or permanent contract.

The selected candidate would start as soon as possible.

Should you have any questions, please contact Richard Boessen (EFRAG Senior Digital Reporting Technical Manager) at richard.boessen@efrag.org and Saskia Slomp (EFRAG CEO) at saskia.slomp@efrag.org.

For more details, including on how to apply, please visit [EFRAG's website](#).

FINANCIAL REPORTING

Join EFRAG as a Financial Reporting (Senior) Technical Manager - Financial Institutions Specialist

EFRAG is looking for a Financial Reporting (Senior) Technical Manager - Financial Institutions Specialist for a secondment or permanent employment contract based in Brussels. For full details, please see the [job description](#).

Applications (CV plus motivation letter - with the applicant's name and last name as the document's title) should be sent to rh@efrag.org, mentioning 'EFRAG FR Team - Technical Manager' (or 'Senior Technical Manager') in the email subject.

For more details, please visit [EFRAG's website](#).

Join EFRAG as a (Senior) Technical Manager - Expand your IFRS expertise

EFRAG is looking for a (Senior) Technical Manager for its financial reporting pillar. The role is based in EFRAG's offices in Brussels.

EFRAG welcomes applications for either full-time employment contracts or two-year secondments (different tenure periods can be discussed).

For more information, please contact EFRAG CEO Saskia Slomp at saskia.slomp@efrag.org.

For more details, including on how to apply, please visit [EFRAG's website](#).

EFRAG Financial Reporting Internship Opportunities

EFRAG is offering internships in its financial reporting activities. As an intern, you will be expected to support the EFRAG financial reporting work in influencing the development of IFRS Accounting Standards (including projects on the IASB workplan and EFRAG's proactive research projects) and providing endorsement advice on IFRS Accounting Standards.

There is also an opportunity to work on EFRAG's research project on the connectivity between financial and sustainability reporting.

The internship role entails giving support to the work conducted by the EFRAG technical staff in the drafting of technical documents, regular engagement with EFRAG's governance bodies (EFRAG Reporting Technical Expert Groups and Reporting Board), working groups and outreach to a broad range of external stakeholders including preparers, users, national standard setters, auditors and regulators.

Through the internship you will gain unique professional experience in corporate reporting standard-setting activities in a dynamic and multicultural environment and have access to and direct interaction with a rich network of corporate reporting stakeholders.

EFRAG is recruiting interns on a continual basis for a 6-month term (renewal is possible for one term of 6 months). Please note that the places for March 2025 are now filled and new opportunities will be available **for September 2025**.

For more information, please contact EFRAG CEO Saskia Slomp at saskia.slomp@efrag.org.

For more information, including on how to apply, please visit [EFRAG's website](#).

SUSTAINABILITY REPORTING

EFRAG seeks senior contributions in kind to support sustainability reporting surveys and research activities

EFRAG is looking for senior contributions in kind to support its work on surveys and research activities on sustainability reporting. Application deadline: **15 December 2024**.

EFRAG is very grateful for the wide range of organisations that have provided so far secondments in kind for the technical work on the European Sustainability Reporting Standards (ESRS). EFRAG seeks further contributions in the form of secondments in kind from a wide range of stakeholders. The secondment of a small team of experts can also be considered. Practical expertise and real business experience are expected.

In particular, EFRAG is looking for senior secondments in kind to support its work on surveys and studies on implementation of the first set of ESRS.

Ideally, secondees are expected to contribute on a full-time basis, but they can be considered on part-time basis (minimum 50%). The minimum period of secondment is six months in principle. As part of the selection process, an interview with the candidates may be conducted to determine the type of work that the secondments entail.

Applications consisting of a letter of motivation, detailed CV(s) a support letter from the organisation, if applicable, should be sent to Saskia Slomp, EFRAG's CEO, at Nominations@efrag.org by **15 December 2024**. In case of team contributions in kind a short description of the potential activities or projects that could be undertaken is welcome.

Open positions - Join EFRAG's Sustainability Reporting team to shape the future of sustainability reporting

EFRAG has vacancies in its sustainability reporting team:

- [Social and Human Rights reporting specialists](#) (employment and labour rights due diligence)
- [ESRS Sector programme experts](#) (with different levels of seniority)
- [Environmental reporting specialist](#)
- [Business Conduct and related reporting specialist](#)

All positions are permanent, based in Brussels, and require EEA nationality. Short term contracts are also possible.

Applications, including a letter of motivation and a detailed CV, should be sent to Saskia Slomp, EFRAG CEO, at Rh@efrag.org

Apply now and join us in shaping the future of sustainability reporting at EFRAG!

Permanent and Seconded Sustainability Reporting Professionals

In its broadened role as the technical advisor to the European Commission in the development of draft European Sustainability Reporting Standards (ESRS), EFRAG seeks both permanent and seconded (paid or in-kind) sustainability reporting professionals that can join it on either a full-time or, in limited cases, part-time basis. This is an exciting opportunity to join a multicultural, fast-evolving and collegial environment and be part of the EFRAG Sustainability Reporting pillar technical staff. Applications are welcome from both junior and experienced professionals who are EEA nationals and are willing to relocate and work in EFRAG's offices in Brussels in case of paid positions. Competitive salary packages are offered depending on successful applicants' qualifications and experience.

Who Are We Looking For?

EFRAG seeks individuals with a passion for corporate reporting and standard-setting developments, who can contribute their talents and energy to the development of draft ESRS. We are looking for candidates who are keen to participate in the ongoing sustainability standard-setting activities, who have experience and are willing to invest time in developing expertise in sustainability topics and corporate reporting, and who can adapt to the fast-evolving sustainability reporting landscape. We seek candidates with different levels of experience and seniority, from junior to senior level.

What Does EFRAG Offer?

The development of sustainability reporting standards is a revolutionary step in the corporate reporting world. Building on its well-established financial reporting activities, EFRAG has a unique role to play in its broadened role as the technical advisor to European Commission developing draft ESRS.

EFRAG offers its staff challenging work and competitive salaries and presents opportunities for professional growth and the development of corporate reporting expertise while engaging extensively with a broad range of stakeholders. We are looking for both permanent staff and secondments (in-kind or paid). Secondments in kind should be at least on a 50% basis.

EFRAG staff is expected to relocate and work from EFRAG's offices in Brussels (with a number of days of teleworking allowed under EFRAG's teleworking policy). Secondments in kind can be held at the venue of their seconding organisation.

How Can One Apply?

Applications, consisting of a letter of motivation and a detailed CV, should be sent via the form below (continuous recruitment). In applying for this job, you agree that EFRAG can process the data you have provided in your CV, cover letter and any other document. EFRAG will store your CV, cover letter and any other document in its database for one year.

For more information, including on how to apply, please visit [EFRAG's website](#).