EFRAG UPDATE

Europe's voice in corporate reporting

May 2025

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EFRAG UPDATE

MAY 2025

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

1.1 EFRAG Releases Annual Review 2024, Highlighting Key Achievements and Future Priorities

On 26 May 2025, EFRAG published its Annual Review 2024, providing a comprehensive overview of its activities, milestones, and strategic developments over the past year. For the first time, the document is available **exclusively in digital format** via EFRAG's official website.

The 2024 Review highlights EFRAG's ongoing commitment to **high-quality financial and sustainability reporting in Europe**. Key developments include progress on the European Sustainability Reporting Standards (ESRS), contributions to projects of the International Accounting Standards Board (IASB), and strengthened stakeholder engagement.

The publication also sets out **EFRAG's priorities for 2025**, including further technical work on sustainability topics, promoting connectivity between financial and sustainability reporting, and enhancing international cooperation.

View the Annual Review 2024

For more information, please see the EFRAG website.

1.2 EFRAG contributed to the 47th Annual EAA Congress in Rome

EFRAG presented at the 47th Annual Congress of the European Accounting Association (EAA), that took place at Luiss Guido Carli University in Rome, Italy. As part of its growing engagement with the academic and professional accounting community, EFRAG is proud to contribute both thought leadership and technical expertise to this important event, organised by the EFRAG Member Organisation EAA.

Benoît Jaspar, President of EFRAG's Administrative Board, delivered the keynote address on 28 May 2025.

EFRAG's contributions continued on 29 May 2025, when it co-hosted, alongside the Organismo Italiano di Contabilità (OIC), the symposium **"Sustainability Reporting Standards for SMEs—What Are the Issues?"**. This session updated participants on key developments in sustainability reporting for small and medium-sized enterprises (SMEs), especially in the context of the proposed Omnibus Directive.

A panel of experts examined the challenges SMEs face in providing sustainability information and the opportunities emerging from standardisation. Discussion topics included market acceptance, proportionality, cost–benefit considerations, and balancing SME reporting capabilities with stakeholder information needs.

This dialogue builds on EFRAG's extensive work in the SME space. The European Commission is expected to endorse the VSME, with minor revisions, as a recommendation before the Summer break in 2025.

For more information, please see the EFRAG website.

1.3 Representatives of EFRAG and the Japanese Accounting and Sustainability Boards Hold Meetings in Brussels

On 14-16 May 2025, representatives of EFRAG and the Accounting Standards Board of Japan (ASBJ) and the Sustainability Standards Board of Japan (SSBJ) (hereinafter referred to as "the Japanese Boards") held meetings in Brussels, Belgium.

Regarding sustainability reporting, representatives of EFRAG and the Japanese Boards held private meetings to provide updates on their respective activities and to exchange views on items of mutual interest, including alignment and interoperability with IFRS Sustainability Disclosure Standards (ISSB Standards) and EFRAG's work in response to ESRS simplification mandate.

Regarding financial reporting, the Chair of the Japanese Boards attended EFRAG FRB and EFRAG FR TEG Joint Physical Meeting and provided updates on the ASBJ's international and domestic activities. In addition, representatives of EFRAG and the Japanese Boards held a private meeting to provide updates on their respective activities and to exchange views on the International Accounting Standards Board (IASB)'s IFRS accounting projects in which both parties have an interest.

EFRAG and the Japanese Boards plan to continue to exchange views on a regular basis.

Mr. Yasunobu Kawanishi, Chair of both the ASBJ and the SSBJ, said: "I would like to express our gratitude to EFRAG for hosting this meeting in Brussels. Our discussions provided us with valuable insights on how we should address various issues concerning both accounting standards and sustainability disclosure standards. We look forward to continuing this productive dialogue with EFRAG in the future."

Download the press release

For more information, please see the EFRAG website.

1.4 EFRAG Administrative Board

The EFRAG Administrative Board met three times in May. Items on the agenda included updates on developments on the sustainability reporting workplan; recommendation on admissions for the Friends of EFRAG to the EFRAG General Assembly, recommendation to the EFRAG SRB on the new composition of the EFRAG SR TEG; update of activities of the EFRAG Adminstrative Board Committees: Audit, Risk and Budget, Remuneration, Due Process and Nomination and approval of the EFRAG 2024 annual review.

1.5 EFRAG General Assembly

The EFRAG General Assembly met on 26 May. The Assembly appointed Alexandre Affre as EFRAG Administrative Board member representing BusinessEurope. Several organisations were admitted as Friends of EFRAG. The Assembly also agree to an exemption of the EFRAG Internal Rules in relation to the size and geographical composition of the EFRAG SR TEG.

1.6 EFRAG April Podcast Highlights

Short on time? Catch the key updates in financial and sustainability reporting on the EFRAG Podcast, hosted by FR TEG Chair Sébastien Harushimana and SR TEG Chair Chiara Del Prete and featuring guest speakers Aleksandra Sivash FR Senior Technical Manager and Elisa Bevilacqua SR Senior Technical Manager.

Sustainability Reporting Podcast Episode #5

- Spotify

- YouTube

Financial Reporting Podcast Episode #5

- Spotify
- YouTube

Prefer reading instead? Download the pdf.

Stay tuned for the next episode by subscribing to our YouTube and Spotify channels.

EFRAG'S FINANCIAL REPORTING ACTIVITIES

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EFRAG'S FINANCIAL REPORTING ACTIVITIES

2.1 Events

EFRAG Issues Roundtable Report: Connecting Financial and Sustainability Reporting

Read the report of EFRAG's virtual roundtable "Practical considerations of connecting financial and sustainability reporting", which took place on 25 April.

The roundtable consisted of an overview of EFRAG's research project on connectivity, the presentation of a selection of illustrations, and follow-up discussions by eight experts with multi-functional backgrounds (three preparers, two users, two auditors, and an enforcer) on the illustrations and practical aspects of connectivity. The event had 600+ attendees.

View Roundtable Report

You may also access the presentation that was used at the roundtable event and watch the recording.

2.2 Other news

New EFRAG Survey on Current Practices in Dynamic Interest Rate Risk Management

EFRAG is conducting a survey to gather insights into **current practices in dynamic interest rate risk management**, along with the related capabilities of banks, insurers, financial conglomerates, and other entities. This initiative is in anticipation of the forthcoming Dynamic Risk Management ('DRM') model proposed by the IASB.

The survey results will be used for the **design of a field test for the upcoming IASB's Exposure Draft ('ED') on DRM,** as well as for EFRAG's draft comment letter in response to the ED.

What does the survey include?

The survey comprises the following sections:

- Section 1 – General questions;
- Section 2 – Questions for banks;
- Section 3 – Questions for insurers;
- Section 4 – Question for financial conglomerates; and
- Section 5 – Questions for other entities.

Stakeholders are invited to complete the survey electronically using the link provided below.

The survey deadline is 31 July 2025.

Survey participants are not required to answer every question but can respond only to the sections relevant to them.

Take the Survey

A document containing the survey questions is also available, should respondents wish to consult it beforehand. While some questions in the form depend on responses to previous ones, the PDF document displays all questions.

View Survey Questionnaire

This is the first of two surveys planned as part of the DRM project. The second survey, which will focus more on the technical aspects of the proposed DRM model, is expected to be launched following the publication of the ED, currently expected in **Q4 2025**.

For any queries regarding the survey content, please contact:

- Sergey Vinogradov (EFRAG FR Senior Technical Manager)
- Sapna Heeralall (EFRAG FR Senior Technical Manager)

2.3 Publications

Draft Endorsement Advice

EFRAG has issued its **draft endorsement advice letter** and a separate **invitation to comment** regarding the endorsement for use in the EU of IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, issued by the IASB on 9 May 2024.

IFRS 19 aims to **simplify financial reporting for eligible subsidiaries** by allowing them to prepare financial statements under IFRS Accounting Standards with the reduced disclosure requirements under specific conditions. This approach reduces the reporting burden on companies by simplifying the reporting, reducing the costs of preparing eligible subsidiaries' financial statements, while maintaining their usefulness to users.

EFRAG assessed the European endorsement criteria. In line with the European Commission's endorsement advice request, EFRAG has also assessed the interaction of the reduced disclosure requirements in IFRS 19 with the requirements of the Directive 2013/34/EU, and whether a corresponding carve-out could be made to IFRS 19.

Finally, EFRAG conducted an in-depth cost-benefit assessment of the effects of IFRS 19 through extensive outreach activities and through desktop research to estimate the number of entities potentially impacted by the implementation of IFRS 19 in the EU.

EFRAG's overall preliminary assessment is that IFRS 19 satisfies the criteria for endorsement for use in the EU and therefore recommends its endorsement, with a carve-out of disclosures related to IFRS 14 *Regulatory Deferral Accounts*, on the basis that IFRS 14 has not been endorsed in the EU, IFRS 14 will soon be replaced by the forthcoming IFRS 20 *Regulatory Assets and Regulatory Liabilities*. Disclosures related to IFRS 20 will be included in IFRS 19 if, and when, IFRS 20 is endorsed for use in the EU.

Invitation to comment (PDF)

Invitation to comment (Word)

Comments are requested **by 3 September 2025 COB.**

EFRAG has also updated its Endorsement Status Report.

2.4 Open consultations

TITLE AND DESCRIPTION	CLOSING DATE
EFRAG Survey on current practices in Dynamic Interest Rate Risk Management	31 July 2025
EFRAG's Draft Endorsement Advice on IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	3 September 2025

For more information, please see EFRAG's consultations page.

2.5 JOINT EFRAG FINANCIAL REPORTING BOARD & EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (EFRAG FRB & EFRAG FR TEG)

Physical meeting 14 May 2025

EFRAG FRB held a webcast meeting on 14 May 2025 and discussed the following topics:

IFRS 19 *Subsidiaries without public accountability: Disclosures*

EFRAG FR TEG and EFRAG FRB discussed the Draft Endorsement Advice ('DEA') on IFRS 19. Members of both groups found the DEA well-balanced and expressed their support for the publication. The EFRAG initial assessment is that IFRS 19 meets technical endorsement criteria and is conducive to the European public good. Therefore, EFRAG recommends IFRS 19 for endorsement.

EFRAG FR TEG agreed to recommend the DEA for approval to the EFRAG FRB and EFRAG FRB approved the DEA for publication.

Selected financial reporting topics – ASBJ presentation

The Chair of the ASBJ, Yasunobu Kawanishi exchanged views with members on the ASBJ's perspective on several IFRS accounting and Japanese GAAP topics. Discussions were held on the boundaries of financial statements, the equity method, intangibles, the cash flow statement, DRM, the IASB's PIRs, IFRS 18, the IASB's agenda setting and Japanese GAAP initiatives.

IASB Fourth Agenda Consultation and EFRAG research agenda consultation

EFRAG FR TEG and EFRAG FRB discussed the IASB's approach to its Fourth Agenda Consultation and EFRAG's proactive research agenda consultation.

IASB Project Rate-regulated Activities

EFRAG FR TEG and EFRAG FRB discussed the preliminary results of a) EFRAG's review of regulations across different EEA jurisdictions; and b) EFRAG's survey to preparers for European entities on the practicability of the forthcoming IFRS 20 *Regulatory Assets and Regulatory Liabilities.* Members considered the findings to be a useful first step that identified the areas for further field testing when the final wording of IFRS 20 is available.

IASB Project Business Combinations - Disclosures, Goodwill and Impairment

EFRAG FR TEG and EFRAG FRB discussed the feedback received by the IASB on its Exposure Draft *Business Combinations—Disclosures, Goodwill and Impairment* and the IASB tentative decisions and discussions so far.

Next meeting

The next EFRAG FRB meeting was held on 5 June 2025.

2.6 JOINT EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (EFRAG FR TEG) AND EFRAG USER PANEL

Physical meeting 13 May 2025

EFRAG FR TEG held a webcast meeting on 13 May 2025 and discussed the following topics:

Influence of AI on the analysis of information by users

Based on a presentation Marc Houllier (Corporatings) users provided feedback on the use of AI. AI would never be used for single investment decisions but might be used for specific questions or adjustments (like inflation adjustments). Risk analysis was mentioned, controlling of data and handling of large amounts of data. Some highlighted the importance of structured data input (XBRL). Users see the potential in using AI but also see its limitations (hallucination, error rate). EFRAG FR TEG members were informed to consider any impact on the standard setting process.

IASB Research Project *Intangible Assets*

Members discussed the separation of intangibles from acquired goodwill, emphasizing the importance of the cash flow statement in their analysis. Additionally, they examined the usefulness of the provided information, the recognition of intangibles, and the inclusion of cryptocurrencies.

Next meeting

The next EFRAG FR TEG meeting was held on 12 June 2025.

2.7 JOINT EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (EFRAG FR TEG) & EFRAG CFSS

EFRAG FR TEG held a webcast meeting on 15 May 2025 and discussed the following topics:

IASB Project *Climate-related and other uncertainties in the financial statements*

EFRAG FR TEG and EFRAG CFSS discussed the IASB staff's preliminary recommendations regarding the project direction and amendments to the examples based on the feedback to the IASB's 2024 Exposure Draft. Members expressed mixed views on whether the IASB should finalise the examples and gave comments on the suggested amendments to the examples. Those opposing the finalisation of the illustrative examples raised the concern that the examples did not contain a single non-climate illustration and that they would significantly impact practice without a proper due process of endorsement in Europe.

EFRAG Research Project *Connectivity between financial reporting and sustainability reporting*

Members were updated on EFRAG's research project on the connectivity between financial reporting and sustainability reporting, and they shared their views on the presented illustrations of connectivity.

Next meeting

The next EFRAG FR TEG - CFSS meeting was held on 1 July 2025.

2.8 EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (EFRAG FR TEG)

IASB Project *Dynamic risk management*

EFRAG FR TEG discussed the survey on the Dynamic Interest Rate Risk Management Practices being prepared by EFRAG as part of the DRM project. The survey was eventually launched on 28 May 2025.

EFRAG RESEARCH PROJECT *CONNECTIVITY BETWEEN FINANCIAL REPORTING AND SUSTAINABILITY REPORTING*

EFRAG FR TEG discussed and gave comments on the draft content of EFRAG's upcoming Discussion Paper on connectivity between financial reporting and sustainability reporting. Members considered it a priority to finalise and issue a Discussion Paper.

EFRAG'S SUSTAINABILITY REPORTING ACTIVITIES

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EFRAG'S SUSTAINABILITY REPORTING ACTIVITIES

3.1 EFRAG SRB update - new composition

On 12 May 2025, EFRAG confirmed the composition of its Sustainability Reporting Board (EFRAG SRB), effective as of 1 March 2025. Since most members have been available for reappointment, the composition remains largely unchanged except for the representation of the user sector where Susana Peñarrubia succeeds Alexander Bassen whose mandate concluded earlier this year due to other responsibilities.

Please see EFRAG's website for information about the role and composition of the SRB.

3.2 EFRAG SR TEG update - new composition

The EFRAG SRB approved the new composition of EFRAG SR TEG effective from 1 May 2025. Several current members have been reappointed and new experts have been included, ensuring balanced and comprehensive expertise across sectors and geographies.

New Appointments

- **Guillaume Bône** (CSO, France)
- **Roberta Ceccon** (Preparer/Banking, Italy)
- **Thierry Langreney** (Chief Sustainability Officer/At Large, France)
- **Jannik Leiendecker** (Consultancy, Germany)
- **Julia Zicke** (Preparer, Germany)

The existing members Luca Bonaccorsi, Piotr Biernacki, Carlota de Paula Coelho, Anne-Claire Ducrocq, Luc Hendrickx, Luis Piacenza, Olivier Scherer and Per Tornqvist have been reappointed.

The renewed composition reflects EFRAG's continued commitment to a multi-stakeholder and multidisciplinary approach, supporting the development and implementation of robust European sustainability reporting standards.

Please see more information on the EFRAG SR TEG composition and its role.

For additional information, please see the EFRAG website.

3.3 Chiara Del Prete, EFRAG SR TEG Chair, at JURI hearing

On 13 May 2025, the European Parliament's Committee on Legal Affairs held a public hearing on reporting obligations, exploring ways to reduce administrative burdens while maintaining sustainability ambitions. Chiara Del Prete, EFRAG SR TEG Chair, contributed to panel and provided EFRAG's insights on the ESRS simplification work and the balance between usability and impact.

This panel discussed the EU's goal to reduce reporting burdens, in line with the CSRD Omnibus Proposal published on 26 February 2025, with a multistakeholder panel that involved also two EFRAG SRB members.

Access the programme and the recording.

At the 4 June EP Legal Affairs Committee EFRAG presented its 2025 workplan.

3.4 VSME Ecosystem

Update on the EFRAG SME Forum and VSME Community

The SME Forum consists of a total of 47 representatives, preparers, users, platforms and initiatives as well as observers (institutional). The kick-off meeting of the SME Forum's took place on 17 February 2025. In the meantime, EFRAG has also revamped its VSME Community that has expanded to over 500 members from a wide range of individual stakeholders representing preparers, users (SMEs business counterparts such as banks, investors and large undertakings), academics, NGOs, accountants and international/governmental institutions.

The second SME Forum meeting is planned for the **3 June 2025**.

To develop its three supporting guides, EFRAG has launched a series of surveys to SME Forum members and VSME Community members to receive feedback on initial drafts on the VSME support guides for **disclosure C2** (Description of practices, policies and future initiatives for transitioning towards a more sustainable economy), **disclosure C3** (GHG reduction targets and climate transition) and **disclosure C7** (Severe negative human rights incidents).

On the survey for disclosure C2 (Description of practices, policies and future initiatives for transitioning towards a more sustainable economy), a significant number of SME Forum members and SME VSME Community members responded to the survey, see the April 2025 update for more details.

Similarly, on the support guide for disclosure C3 & C7, a total of 28 out of 47 SME Forum members responded to the survey, while 157 out of 521 VSME Community members responded to the survey on support guide C3 & C7. Based on this feedback EFRAG Secretariat has presented to EFRAG SR TEG the redrafted VSME C3 & C7 support guides. This can be found in the dedicated page on EFRAG's website, together with the summary of the feedback received.

Update on the Support Guides

Following the presentation of the draft VSME C2 support guide (Description of practices, policies and future initiatives for transitioning towards a more sustainable economy), at the EFRAG SR TEG on the 29 April 2025, EFRAG SR TEG and the EFRAG SRB have been consulted for a two-weeks written feedback period, ending on 19 May 2025. EFRAG has redrafted the content of this support guide based on the feedback received from SRB and SR TEG members.

For what concerns the support guides on disclosures C3 and C7, following the presentation at SR TEG on 15 May, EFRAG SR TEG and the EFRAG SRB members have been consulted for a two-weeks written feedback period ending 30 May 2025. These two support guides will then be revised at the beginning of June to reflect the comments received by EFRAG SRB and EFRAG SR TEG members.

Lastly, following the presentation of the VSME Digital Template and draft VSME XBRL Taxonomy to the SME Forum members on 11 April 2025, the SME Forum members and Digital Reporting Consultative Forum members provided feedback on the draft VSME Digital Template and draft VSME XBRL Taxonomy which was analysed in May. In parallel, EFRAG has also been working on the Excel to XBRL converter set to enable the automatic generation of the XBRL report upon completing and filling in the VSME Digital Template.

Release of the VSME Digital Template, XBRL Taxonomy & Converter

On 27 May 2025, EFRAG has released the first version of the **VSME Digital Template** and accompanying **VSME XBRL Taxonomy**, designed to support the *Voluntary Sustainability Reporting Standard for SMEs (VSME)* submitted as a technical advice to the European Commission in December 2024.

EFRAG's Digital Template enables a user-friendly and efficient reporting experience. The **Digital Template** (implemented in MS Excel) features interactive elements, auto-calculations, consistency checks, and

direct links to VSME text and guidance. Meanwhile, the **XBRL Taxonomy** enables seamless, software and vendor-independent digital reporting and data exchange.

To further ease adoption, EFRAG offers a free and open-source **Digital Template to XBRL converter**, enabling instant transformation of the VSME Digital Template into human and machine-readable formats. It is available online on EFRAG's website or for local installation, with full validation and integration capabilities, in order to support the market with the adoption of VSME.

All resources, including the template, explanatory notes, the source code and demo files, are now available for download on the **VSME Digital Template** and **XBRL Taxonomy webpage**.

Please note that an update of the VSME Digital Template and XBRL taxonomy may be necessary once the European Commission will release the VSME Recommendation.

Update Outreach Events and Training sessions

As part of its training sessions, on 7 May 2025, EFRAG released a series of 10 educational videos focused on the VSME. These videos offer a deep dive into the Environmental, Social and Governance disclosures and guidance within the VSMEs Basic and Comprehensive modules. These videos are a great opportunity to get a deeper understanding of the disclosure requirements of the VSME Standard, ultimately helping in the drafting and implementation of sustainability reporting. These videos have also been AI-translated.

Additionally, on 11 June 2025, OECD and EFRAG organised a joint VSME Outreach Event.

For more information, please see EFRAG's website.

EFRAG mapping of initiatives, tools and platforms for SME sustainability reporting

Between 4 February 2025 and 24 February 2025 all interested parties were invited to apply to a public call for expression of interest to map existing and ongoing initiatives on SME sustainability reporting, digital platforms, and digital tools (e.g. GHG calculators, geolocation tools). EFRAG Secretariat has received 224 responses to the survey on platforms and SME related initiatives, while 99 responses to the survey on tools (68 in operational phase). EFRAG has analysed the responses, revised the criteria and has sent the self-assessment gridline to those platforms that fulfilled the newly determined criteria. The assessment aims to compare the consistency of the platforms and other initiatives with EFRAG's VSME to stimulate and ensure a coordinated adoption in Europe. A report of the findings is expected to be published in July

3.5 EFRAG Issues a Call for Tender: Cost and Benefit Analysis of Simplified ESRS

On 26 May 2025, EFRAG announced the launch of a Call for Tender for the selection of a service provider to conduct a Cost and Benefit Analysis (CBA) in support of the revision of the first set of European Sustainability Reporting Standards (ESRS). This initiative follows the request from the European Commission to simplify and streamline the ESRS in line with the objectives of reducing administrative burdens for reporting companies while maintaining the quality and utility of sustainability disclosures.

The selected contractor will have to provide a thorough and evidence-based assessment of the costs and benefits linked to the implementation of the revised ESRS, including an evaluation of the anticipated burden reduction. The selected contractor will work in close cooperation with the EFRAG Secretariat and be provided with relevant information and stakeholder feedback collected during the consultation and outreach phases.

- Support the simplification process of the ESRS as mandated by the European Commission in March 2025.

- Provide policymakers with a robust economic impact analysis to accompany the revised delegated act.
- Quantify cost reductions and identify benefits for preparers, users, and assurance providers of sustainability statements.

The assignment is divided into two deliverables:

- *Preliminary Cost and Benefit Analysis* (Deadline: 30 September 2025): based on the Exposure Drafts of the revised ESRS to be published by end-July 2025.
- *Final Cost and Benefit Analysis* (Deadline: 31 December 2025): based on EFRAG's final technical advice and submitted to the European Commission by end-October 2025.

The call is open to all interested and eligible entities in EAA countries or consortia with relevant experience in economic analysis, sustainability reporting, or regulatory impact assessments.

Interested parties had to submit their application and required documentation by **20 June 2025**, 18:00 CET. Access the full tender specifications and submission details:

Call for Tender

3.6 Publications

Draft Comment Letter on the IASB Proposed Amendments to IFRS S2 Greenhouse Gas Emissions Disclosures

EFRAG has published its Draft Comment Letter ('DCL') on the IASB's Exposure Draft *Amendments to Greenhouse Gas Emissions Disclosures Proposed Amendments to IFRS S2* (the 'ED'). Comments on EFRAG's DCL were requested by 20 June 2025.

This DCL contributes to the ISSB's due process, in consideration of the applicability of the IFRS S2 to preparers that comply with ESRS, as source of industry specific guidance.

In the DCL, EFRAG's tentative view is that the proposal to omit the disclosure of emissions associated with derivatives, financed emissions and insured emissions reliefs should be temporary, to be reviewed reflecting possible changes in reporting practice and evolution of methodologies. The Final Comment Letter is expected to be issued by the end of June.

3.7 Other news

Outreach events on ESRS simplification with National Standard Setters

The ESRS Set 1 Simplification Outreach events, workshops and meetings were held from March to May 2025 with several stakeholder groups participating including preparers, auditors, national standard setters and business associations. When it comes to national standard setters, events were held in six European countries (NL, SP, DK, FR, GE, IT). In parallel, 41 one-to-one interviews were organised with preparers from different sectors and sizes (large and smaller companies) and with 7 auditing firms to receive feedback on main challenges and difficulties encountered in the application of the ESRS, as well as suggestions for simplification. These outreaches were complemented by a number of events with cross-sectorial business associations, investors, rating agencies, civil society organisations and trade unions. In total approx. 600 companies were involved with over 100 hours of dialogue for EFRAG staff to gather evidence on the implementation and usage of the ESRS Set 1.

One hour, one goal: Align your CDP disclosures with ESRS E1 *Climate change*

EFRAG held a one-hour webinar "Bridging the Gap: Harmonizing CDP Disclosures with the European Sustainability Reporting Standard E1." on 28 May exploring the newly published correspondence mapping between the CDP question bank and ESRS E1, jointly released by CDP and EFRAG. The workshop offered a unique opportunity to hear

directly from CDP and EFRAG experts, dive into the details of this valuable new resource, and discover how your company can reduce reporting complexity while driving smarter, Earth-positive business decisions.

For more information, please see the EFRAG website and visit the Correspondence mapping announcement.

TISFD and EFRAG join the Impact Management Platform

The Partners of the Impact Management Platform welcomed EFRAG to join as an observer the initiative. for mainstreaming the practice of impact management.

The Taskforce on Inequality and Social-related Financial Disclosures (TISFD) is a global initiative to develop recommendations and guidance for businesses and financial institutions to understand and report on impacts, dependencies, risks, and opportunities related to people. The aim of the Taskforce is to incentivise business and financial practices that create fairer, stronger societies and economies.

For more information, please see the update of the Impact Management Platform.

UN Sustainable Stock Exchanges and EFRAG

On 29 April EFRAG joined a roundtable discussion hosted by the UN Sustainable Stock Exchanges (SSE). Following an initial meeting in July 2024, which informed the UN SSE's Gender Equality Metrics Report published in December 2024, this session focused on an analysis of gender-related reporting metrics used in sustainability reporting standards, including the ESRS, GRI and IFRS frameworks.

For more information, please see the EFRAG website

3.8 EFRAG SUSTAINABILITY REPORTING BOARD (EFRAG SRB)

Topics covered	Meeting date
ESRS simplification (closed)	**6-7 May 2025**
ESRS simplification: • Interim report on input • Working in subgroups (closed)	**21-22 May 2025**
ESRS simplification inputs during information gathering phase (closed)	**27 May 2025**
ESRS simplification (closed)	**28 May 2025**

The next EFRAG SRB meeting was held on 4 June 2025.

ESRS simplification

On 21 May 2025, the EFRAG SRB invited the EFRAG SR TEG to join the session receiving feedback from the public survey and interviews conducted by the EFRAG Secretariat during its information gathering phase. This first session focussed on a sample of total inputs received to enable EFRAG's SR governing bodies to receive a sample of the feedback to inform its decisions while the Secretariat consolidates the feedback received.

This was followed up by another joint session on 27 May where the EFRAG Secretariat presented the key feedback received from all constituents during its information gathering phase.

3.9 EFRAG SUSTAINABILITY REPORTING TECHNICAL EXPERT GROUP (EFRAG SR TEG)

TOPICS COVERED	MEETING DATE
ESRS simplification (closed): • Feedback on SRB vision and strategic direction • Status of issue papers • Amendments stemming from Q&A: ESRS 1 and 2 as well as G1 • Boundaries: value chain for financial institutions • IFRS interoperability for ESRS 1 IFRS S2 Exposure Draft (closed): • EFRAG's draft comment letter	**12 May 2025**
ESRS simplification (closed): • Interoperability • Financial effects: Amendments to ESRS 2 and ESRS E1 ESRS VSME: • VSME C3 and C7 support guides overview	**15 May 2025**
ESRS simplification (closed): • Status update • IFRS S2 Amendments approval of EFRAG final comment letter	**26 May 2025**

The next EFRAG SR TEG meeting will be held on 10 June 2025.

VSME

On 15 May 2025, EFRAG SR TEG discussed the draft support guide that EFRAG Secretariat has drafted for the disclosure C3 and C7. This support guide falls within the five deliverables of the VSME Ecosystem.

3.10 Friends of EFRAG

NEW FRIENDS OF EFRAG - SUSTAINABILITY REPORTING

We are happy to announce that 12 companies and organisations have officially become Friends of EFRAG - Sustainability Reporting, demonstrating their commitment to the development of sustainability reporting and support to EFRAG's mission.

The new Friends of EFRAG – Sustainability Reporting are:

Dcycle

OPEN Dot Com

BDSI – Bundesverband der Deutschen Süßwarenindustrie e.V.

Pomelo-Paradigm

SCS Consulting

Salacia Solutions

Datamaran

AMCS Group

Green0meter

Agendi

OPNBuildings

Sustenuto

We warmly welcome these 12 new friends to the EFRAG family and look forward to collaborating in the development of sustainability reporting standards and their successful implementation.

SECOND EDITION OF ENGAGE & EXCHANGE SESSION WITH FRIENDS OF EFRAG – SUSTAINABILITY REPORTING

On 22 May 2025, EFRAG welcomed the Friends of EFRAG – Sustainability Reporting for the second edition of the Engage & Exchange session in Brussels. Rich discussions and technical updates took place on some of the most pressing topics in sustainability reporting, including:

- EFRAG's new work plan
- Omnibus proposals
- Interoperability
- Early feedback on the first wave of ESRS implementation
- VSME ecosystem
- XBRL taxonomy developments

With participants joining both online and in person, our experts shared insights and answered questions to foster understanding and dialogue across our growing community.

For information on the advantages, conditions and how to apply to join Friends of EFRAG – Sustainability Reporting, please visit our website or contact us directly at EFRAGSecretariat@EFRAG.ORG.

Entities can also become Friends of EFRAG – Financial Reporting.

For more information, please see the EFRAG website.

3.11 Other involvement in sustainability reporting

EFRAG participation in SSAF meeting

EFRAG participated on 14 May in the Sustainability Standards Advisory Forum meeting. A summary of the agenda is set out below:

- Biodiversity, ecosystems and ecosystem services
- Human capital
- Enhancing the SASB standards
- Amendments to IFRS S2 Greenhouse Gas Emissions Disclosures

For more information, please see here.

Disability: In and EFRAG

On 15 May in Brussels, the Global and Policy teams of Disability: In met with members of the EFRAG team to discuss the status of the CSRD and the consideration of people with disabilities in the undertakings' business' operations, own workforce, consumers, and governance bodies.

For more information, please see the LinkedIn post.

VACANCIES[1]

Corporate – both pillars

INTERNSHIPS – FINANCIAL AND SUSTAINABILITY REPORTING

EFRAG offers opportunities for university students and recent graduates in the form of internships lasting between six and twelve months. This will allow interns to acquire an understanding of EFRAG's work in the financial reporting and/or sustainability reporting fields.

Applicants for an internship are eager to keep learning to get a taste of professional life, discover how we make an impact that matters, and get ahead in your career!

You will gain:

- An overview of the EFRAG's objectives and activities;
- A first professional and personal experience in the dynamic world of corporate reporting standard setting and the identification of good reporting practices in a European and global environment;
- Working 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; and
- Practical knowledge in your area of study.

You will work in the EFRAG offices in Brussels.

Next openings: September 2025

Financial reporting

EFRAG continues to consider applications from experts with a financial reporting background with a thorough IFRS knowledge. Applications require EEA nationality and reallocation to Brussels/Belgium. Applications, including a letter of motivation and a detailed CV, should be sent to Saskia Slomp, EFRAG CEO, at Rh@efrag.org

For our advertisements, please visit EFRAG's website.

Sustainability reporting

EFRAG continues to consider applications from sustainability reporting experts, notably from social and human rights specialists (employment and labour rights due diligence) with a senior profile. Positions are based in Brussels and require EEA nationality. All positions are based in Brussels, and require EEA nationality. Applications, including a letter of motivation and a detailed CV, should be sent to Saskia Slomp, EFRAG CEO, at Rh@efrag.org

[1] *Applications, consisting of a letter of motivation and a detailed CV, should be sent via the form below (continuous recruitment). In applying for a function at EFRAG, the applicant agrees 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 our advertisements, please visit EFRAG's website.

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