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Strategic session on update to VCIG Cover note

Objective

1. The EFRAG Secretariat will present orientations on the possible changes to the drafts to reflect the feedback received. The objective of this session is to receive strategic direction from the EFRAG SRB with respect to the feedback received on the Draft EFRAG IG on value chain.

Background

2. On 22 December 2023, the three implementation guidance documents as approved by the SRB were issued for public feedback with comments requested by 2 February 2024.
3. Agenda paper 07-02 sets out the feedback received in detail in Appendix 1. In short, the main categories of comments were on the following topics:
 - (a) Linking of entity-specific disclosures with VC; whether entity-specific metrics are also required for VC disclosures.
 - (b) Operational control (Chapter 2.3)
 - (c) Harmonisation of the approach of due diligence between ESRS and CSDDD.
 - (d) More guidance for financial institutions
 - (e) Requests for more examples
 - (f) Explicit list of data sources to be included in FAQ 9
 - (g) Further guidance on reasonable effort
 - (h) Transitional provision clarifications and
 - (i) Miscellaneous smaller comments as well as drafting and editorial comments.

Questions for EFRAG SRB

4. Does the SRB have comments on the summary in agenda paper 07-02 *VCIG: feedback analysis*?
5. Does SRB members agree with the Secretariat initial orientation as set out in agenda paper 07-03 *VCIG: strategic direction*?

Other possible changes not reflected

6. The EFRAG Secretariat has received informal feedback from ISSB and GRI staff; where relevant changes will be proposed in the markup to reflect this input.

Next steps

7. After direction from the EFRAG SRB, the Secretariat will update the VCIG and prepare other issue papers if required for discussion by SR TEG before reverting to the SRB for approval.

Agenda papers

8. In addition to this cover note, agenda papers for this session are:
 - (a) Agenda paper 07-02 – VCIG: the feedback analysis (Annex 1 is for background purposes);
and
 - (b) Agenda paper 07-03 – VCIG: strategic direction (i.e., the slides, the main document for discussion).