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MQC Exposure Draft

Mapping with existing standards

Highlights in grey show the same content as OG

Objective

- 1 To provide a high-level overview of the extent to which existing frameworks and standards for the coal, mining and quarry sector were leveraged in the ESRS MQC.

Background

- 2 Consistent with requirements of CSRD to align the content of ESRS with the existing frameworks and standards, the MQC drafts leverage to the maximum extent possible on existing reporting standards. The key sources of disclosures are: SASB Standards - which are maintained by the ISSB and which have already been included in ESRS Set 1 (sector agnostic) for a significant proportion - and GRI. Next to it, to comply with the mandate that EFRAG has received with the CSRD to produce sustainability reporting standards that are coherent with other Union law, EFRAG has to incorporate in the draft sector ESRS the disclosures stemming from European regulations, including EBA Pillar 3 disclosures.
- 3 Consistent with the CSRD (“to the maximum extent possible”), the objective has not been to systematically incorporate in ESRS MQC ED all the datapoints from the third party standards. Consideration has been paid to the fact that GRI is a voluntary frameworks. As such the undertaking applying those standards may choose a selection of disclosures to report. On the contrary, including a datapoint in ESRS means making it mandatory. As already done for ESRS Set 1, where only a subset of the universe of GRI datapoints has been incorporated in ESRS, also in this case a subset is included in ESRS.
- 4 The current practice shows that all these sources (ICMM, GRI, SASB) are used jointly on a voluntary basis and this confirms that none of them is sufficient in isolation to cover all the relevant information.
- 5 Attention was given to consolidating and harmonising different framework practices which, despite relying on similar conceptual principles, each introduced slightly different definitions of metrics, or granularity of disclosure. In such cases, to accommodate provisions of Set 1 and all third-party frameworks, EFRAG Secretariat is proposing a disclosure that is consistent to the maximum extent with the existing standards, while avoiding to multiply datapoints of a similar nature.
- 6 To illustrate the extent of alignment, EFRAG Secretariat performed a mapping of the following third-party standards:

- 7 As GRI sector-specific standard (e.g. GRI 12) refers to GRI sector-agnostic standard as a mandatory disclosure, (e.g. GRI 302), the GRI sector-agnostic standard disclosure was subject to mapping as well.
- SASB Metals & Mining Standard
 - SASB Coal operations
 - GRI 14 Mining Sector 2024
 - GRI 12 Coal Sector 2022
 - International Council on Mining and Metals (ICMM)
 - Global Industry Standard on Tailings Management

Methodology for interoperability mapping

- 8 The disclosure requirements from third-party standards were transferred into the Excel file and disaggregated into datapoints on a consistent basis. Since the digital reporting taxonomy for some of these third-party standards is still under development, for the purposes of this mapping exercise the datapoints are established based on the usual practice of EFRAG and will be further verified in upcoming discussions with the standard setters. In particular, at the date of preparation of this paper (28 August 2024) the review of this mapping by the staff of the relevant standard setters has not been completed. The interoperability activity will continue in all the next phases.
- 9 Disclosures/metrics (indicators) which were the same across one or more third-party standards, were not counted multiple times and considered as one disclosure/metric (indicator) instead.
- 10 For each identified datapoints, the mapping introduced different alignment indicators to the analysis:
- (a) Set 1 alignment: this indicate that the third-party content is fully aligned with existing requirements of ESRS Set 1
 - (b) MQC alignment: corresponding to full alignment of the third-party content with the content of the ESRS MQC ED
 - (c) Granularity difference (1a), whenever the third-party standard datapoint requires further or less breakdowns/granularity than the ESRS MQC ED
 - (d) Data type difference (1b), whenever third-party standard datapoint requires quantitative disclosure and ESRS requires qualitative disclosure, or vice versa
 - (e) Scope difference (2a/2b), whenever the content of ESRS MQC ED shares the same disclosure objective with the content of the third-party standard disclosure but there is a difference in how datapoints are formulated (ESRS MQC ED datapoint is either broader or more specific than or differ).
 - (f) Definition difference (3), when there is a difference in the definition between the third-party standard and the MQC [draft] ESRS of a term used in a specific datapoint.
 - (g) Gap, whenever the third-party datapoint is left out from ESRS, i.e. not addressed by ESRS Set 1 nor the ESRS MQC ED.
- 11 When a third-party datapoint is left out, the mapping further categorises between gaps that are due to incompatibility with the concepts in ESRS or that are due to sector boundaries ('Category 1 Gap') and gaps deriving from Secretariat analysis or TEG/Board suggestions ('Category 2 Gap').

Disclaimer: quality control ongoing

- 12 The mapping exercise presented in this meeting is still ongoing further quality control and will be subject to review of the third party staff in the coming weeks and months (including

during the future public consultation). This work is currently in progress and is yet to be validated by third party standard setters. It may be subject to revisions and improvements based on feedback received.

13 A revised mapping will be produced in the next phases. In the meanwhile the EFRAG Secretariat considers it reasonably robust to support the EFRAG SRB approval.

Results

14 The table below shows the resulting extent of alignment of ESRS MQC ED:

Standard	Total in consideration	Set 1 alignment	MQC alignment	Difference (1-3)	Gap
GRI 12 referencing GRI agnostic	167	141	21	5	
GRI 12 sector disclosures	33	4	26	3	
GRI 12 sector recommendations	39	23	13	3	
GRI 14 referencing GRI agnostic	54	44	6	4	
GRI 14 sector disclosures	23	2	10	7	4
GRI 14 sector recommendations	26	18		8	
SASB Coal Operations	49	16	21	7	5
SASB Metals & Mining	22	15	5	1	1
Sector recommendations	1			1	
Grand Total	414	263	102	40	9
		64%	25%	9%	2%

(1)* Total in consideration: total number of datapoints analysed, net of indicators deemed as GRI agnostic and voluntary

(2)** Difference: aggregated number of datapoints identified as granularity, data type, scope or definition difference. They may be considered as a refinement of the corresponding datapoint in the third-party standard.

15 The list of indicators identified as gap (9 gaps) is provided below.

No.	Third party datapoint	Description	ESRS topical reference
SASB datapoints (both coal and mining standards)			
1	EM-CO-320a.1	(3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees <i>NB: same as OG</i>	S1
2	EM-CO-000.A	Production of thermal coal	CC (Activity metrics)
3	EM-CO-000.B	Production of metallurgical coal	CC (Activity metrics)
4	EM-CO-540a.1	Tailings storage facility inventory table: [...] (7) current amount of tailings stored	CC
5	EM-CO-540a.1	Tailings storage facility inventory table: [...] (5) construction method	CC
6	EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	CC
GRI datapoints (both coal and mining standards)			
7	14.6.3	For each tailings facility not confirmed to be in a state of safe closure: - describe the tailings facility, including its construction method;	CC (closure of assets)
8	14.8.5	For each closure and rehabilitation plan: report whether the plan has been approved by relevant authorities; report the dates of the most recent and next reviews of the plan.	CC (closure of assets)
9	14.8.7	For each mine site, report the estimated life of the mine (LOM)	CC (closure of assets)