

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of the EFRAG SR TEG. The paper does not represent the official views of EFRAG or any individual member of the EFRAG SRB or EFRAG SR TEG. The paper is made available to enable the public to follow the discussions in the meeting. Tentative decisions are made in public and reported in the EFRAG Update. EFRAG positions, as approved by the EFRAG SRB, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances.

Revised VSME after Public Consultation – Continuation of the Comprehensive Module Review

Cover Note

Objective

- 1 The objective of this meeting is to discuss the revised VSME standard after the public consultation and EFRAG SRB and SRT strategic and technical orientations, in preparation of the final SR TEG approval.
- 2 This SR TEG meeting follows the discussion held on the revised Comprehensive module (7 October 2024). The discussion will continue from disclosure C5, and cover C6, C7 as well as the future additional taxonomy module.
- 3 On 10 October 2024 SR TEG initiated the approval of the cross-cutting part of the VSME along with the Basic module. Following today's SR TEG's revision of the Comprehensive module, the approval of the Comprehensive module is now planned for 22 October 2024.
- 4 **In order to facilitate the discussion, the specific questions related to these aforementioned disclosures are marked in Questions for SR TEG Secretariat section below.**

Background

- 5 This SR TEG meeting follows up on the SR TEG Meetings held on: 12 September 2024 regarding cross-cutting disclosures, 19 September 2024 regarding disclosures B3 – B7, 26 September 2024 regarding disclosures B8, B9 and (former) AFI 4, and 7 October 2024 regarding B10, B11 (Basic module) along with C1 to C4 (Comprehensive module) of the revised VSME after public consultation.
- 6 During the SRB meeting of the 10 and 17 July 2024 and the SR TEG meetings of the 16 July 2024, the strategic and technical orientations were discussed. Moreover, EFRAG SR TEG members were invited to send written feedback on the Business Partners Module only during the summer.
- 7 In addition, EFRAG Secretariat has organised a workshop on September 16 with European and national banking associations with the aim to test the changes implemented in the Revised VSME after public consultation (in particular the additional module that included banks specific data requests). A verbal update of the outcome of this workshop was provided during the meeting on the 19 September 2024. The appendix below highlights the changes in the additional module and the architecture that emerged in the banks workshop.

**Revised VSME after Public Consultation – Continuation of the Comprehensive Module Review
- Cover Note**

- 8 EFRAG Secretariat has also organised a workshop with SMEUnited on 23 September 2024. The EFRAG SR TEG has been debriefed on the outcome of such workshop in the meeting of the 26th of September 2024.

Question[s] for EFRAG SR TEG:

- 9 Does SR TEG agree with the formulation of the new C5 (Workforce – (General) Additional Characteristics) which includes the former B8 datapoint on non-employees along with the former AFI4 datapoint on the female to male ratio at management level?
- 10 Does SR TEG agree with the merge, simplification and reformulation in seminarrative of former BP7 and BP8 (now C6 – Human Rights Policies and Processes)? (paragraph 62)
- 11 Does SR TEG agree with the simplification of former BP9 now C7 – Severe Negative Human Rights Incidents or Cases? (paragraph 63)
- 12 Does SR TEG agree with keeping AFI 6 (placeholder for EU taxonomy) as part of the Additional Taxonomy module? (paragraph 71-72)

Next steps

- 13 Approval continuation of the Comprehensive Module in SR TEG is planned for 22 October 2024.
- 14 Approval at SRB is planned for 13 November 2024.
- 15 Deadline to deliver to the EC is 20 December 2024. Basis for conclusions will be completed in January.

Agenda Papers

- 16 In addition to this cover note, agenda papers for this session are:
- (a) Agenda paper 04–02 Revised VSME after public consultation Version 2 – Comprehensive module only (clean version); and
 - (b) Agenda paper 04–03 Revised VSME after public consultation Version 2 – Comprehensive module only (markup version).