

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of EFRAG SRB. The paper constitutes, together with the draft ESRS V.1 unapproved, the EFRAG TEG advice on the simplification of ESRS to the EFRAG SRB. The paper is made available to enable the public to follow the discussions in the SRB meeting. 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.

EFRAG SR TEG vote on Amended ESRS Due process document – UNAPPROVED SUMMARY

Objective

The objective of this paper is to illustrate the conclusions of the SR TEG meeting of 24 November where the draft “ESRS V1 unapproved” were discussed and approved, subject to the changes, and with the expression of reservations and dissent as described in this document.

Attendance

The attendance of the SR TEG members was as follows:

Members		Organisation	Attendance	Members		Organisation	Attendance
Chiara	Del Prete	EFRAG SR TEG Chairwoman	In person	Julia	Kölzer	Allianz	Online
Sigurt	Vitols	ETUI (Vice-Chair)	Online	Thierry	Langreney	Les Ateliers du Futur	Online
Robert	Adamczyk	EBRD	Online	Jannik	Leiendecker	BCG	Online
Sandra	Atler	ENACT	Online	Signe Andreasen	Lysgaard	Danish Institute for Humans Rights	Online
PierMario	Barzaghi	KPMG.it (country liaison)	Online	Jose	Moneva	ICAC (country liaison)	Online
Kati	Beiersdorf	DRSC (country liaison)	In person	Elena	Philipova	LSEG	Online
Piotr	Biernacki	Foundation for Reporting Standards	Online	Luis	Piacenza	Crowe	Online
Luca	Bonaccorsi	Pwc	In person	Vanya	Rusinova	Ørsted	Online
Guillaume	Bône	WWF France	Online	Olivier	Scherer	pwc	In person
Roberta	Cecon	Cassa Depositi e Prestiti (CDP)	Online	Christoph	Töpfer	UBA	Online
Jean-Francois	Coppenolle	Abeille Assurances	Online	Per	Tornqvist	Danske Bank	In person
Carlota	De Paula Coelho	B Lab Europe	Absent	Belen	Varela	Inditex Group	Online
Anne-Claire	Ducrocq	BNP Paribas	Online	Julia	Zicke	SAP Group	Online
Eric	Duvaud	ANC (country liaison)	In person				
Luc	Hendrickx	SME United	Absent				

Overall results of vote

Carlota De Paula Coelho and Luc Hendricxs were absent and not considered in the quorum.

The following standards were approved by the participating members:

Standard	Approval without reservation	Approve with reservations	Dissent	Conditions for approval (changes recommended to V1)
ESRS S1	<ul style="list-style-type: none"> Robert PierMario Christoph Julia K. Jose Per Luis Anne-Claire Olivier Elena JF Coppenolle Chiara 	<ul style="list-style-type: none"> Belen (38d, effectiveness of actions as it’s not a simplification) Eric (i) effectiveness of actions as it’s required in many disclosures and the purpose of the ESRS is to monitor the progress any case so no needed to add this requirement, ii) social protection – number of live events high as there’s four and this has to be disclosed by country and no threshold, iii) fatalities on non-employees due to ill-health) Piotr/Sandra/Guillaume (linkage with E topics now has link to E1 but it should be all E standards) Jannik (reservation on adequate wages AR20 (b): we are asking preparers to get the information on a global basis and the burden of proof that wage level is consistent with ILO is on preparers) Vanja/Luca/Signe (reinstate V0 language in Para 15a and AR 4 terminology; 7b make link all E Standards) Sig (Language in Environmental from set 1; reinstate V0 language in Para 15a and AR 4 terminology) Thierry (para 39 (a): unadjusted gender pay gap is meaningless better a phase in to adjusted instead) Roberta (reservation on S1-15 better to provide flexibility on companies to choose disclosing unadjusted or adjusted gender pay gap) Julia Z (strong reservations on S1-9 adequate wages as companies are asked to check if governments have applied ILO principles, she is not dissenting only because she expect companies to use the second method – using estimates produced by institution) 	<ul style="list-style-type: none"> Kati/DRSC as S1 not aligned with the mandate of simplification i) S1-9 Adequate wages: requirement to check against ILO principles of estimating a living wage in such a way that it ensures the ILO principles have been taken into account adequately by lawmakers of a respective country. ii) S1-5 and S1-7, new thresholds expand reporting and against simplification mandate. 	<p>EFRAG Secretariat to work on the point in relation to S1-13 para 35 last sub-paragraph, to specify non-employees provision only relates to b) i).</p>

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Standard	Approval without reservation	Approve with reservations	Dissent	Conditions for approval (changes recommended to V1)
ESRS S2	<ul style="list-style-type: none"> • Robert • Pier Mario • Belen • Christoph • Jannik • Jose • Per • Thierry • Anne-Claire • Julia K. • Julia Z. • Kati • Luis • Elena • Olivier • JF Coppenolle • Chiara • Luca • Roberta 	<ul style="list-style-type: none"> • Eric (i) effectiveness of actions, ii) human rights incidents, the DP seems more exhaustive than in S1 where the number of incidents is required) • Guillaume/Sig/Piotr/Sandra/ (reservations on strengthening the connection between social and env standards for the new interaction paragraph) • Signe (S2 interaction should go beyond E1 standards in the new interaction paragraph; examples of channels to raise concerns in the glossary;) 		<p>EFRAG Secretariat to work on the points below:</p> <ul style="list-style-type: none"> - DR3 ESRS S2-S4 human rights incidents- drafting to be clarified that it's a summary of incidents but not individual descriptions. - Glossary definition of channels to raise concerns to include an example for each social standard rather than being ESRS S1 focussed and deletion of if applicable. Error! Reference source not found.
ESRS S3	<ul style="list-style-type: none"> • Robert • PierMario • Belen • Christoph • Jannik • Jose • Per • Thierry • Anne-Claire • Robert • Julia K. • Julia Z. • Kati • Luis 	<ul style="list-style-type: none"> • Eric (i) effectiveness of actions, ii) human rights incidents, the DP seems more exhaustive than in S1 where the number of incidents is required) • Piotr (reservations on strengthening the connection between social and env standards.) • Guillaume/Sandra/Signe (including to be added to sub-topics) • Sig (including to be added to sub-topics; examples of channels to raise concerns in the glossary) 		<p>See ESRS S2 above.</p>

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	<ul style="list-style-type: none"> Elena Olivier JF Coppenolle Vanya Chiara Roberta 			
ESRS S4	<ul style="list-style-type: none"> Robert PierMario Belen Christoph Jannik Jose Per Anne-Claire Robert Julia K. Julia Z. Kati Luis Elena Olivier JF Coppenolle Vanya Luca Chiara 	<ul style="list-style-type: none"> Eric (i) effectiveness of actions, ii) human rights incidents, the DP seems more exhaustive than in S1 where the number of incidents is required) Piotr (reservations on strengthening the connection between social and env standards.) Guillaume/Sig/Sandra (including to be added to sub-topics; interaction between S4 and environmental standards) Signe (including to be added to sub-topics; interaction between S4 and environmental standards; examples of channels to raise concerns in the glossary;) Thierry (reservation to add class actions as a requirement in S4) 		See ESRS S2 above.
ESRS G1	<ul style="list-style-type: none"> Jannik Belen Kati Christoph PierMario Anne-Claire Eric 	<ul style="list-style-type: none"> Signe/Sigurt/Olivier/Luca/Vanya (lack of standardised metric for SMEs) Luis (include settlements and other resolutions in sanctions) Robert (appeals, lack of standardised metric in SMEs) Thierry (lack of standardised metric for SMEs, delete “briefly” in para. 13) 	<ul style="list-style-type: none"> Piotr (lack of a standardised metric on late payments for SMEs failing to meet CSRD requirements) 	<p>Agreed to recommend the following changes:</p> <ul style="list-style-type: none"> Include sanctions: “Convictions and sanctions, including fines” Par. 13 delete briefly
“Sanctions” to be added to v1				
23 approval 1 dissent				

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	<ul style="list-style-type: none">• Guillaume• Julia K.• Elena• Roberta• Sandra• Julia Z• Chiara• Per			