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**Intergovernmental Working Group of Experts on International  
Standards of Accounting and Reporting  
(ISAR)**

**40<sup>th</sup> SESSION  
17 – 19 October 2023**

Tuesday, 17 October 2023

**Keynote**

Presented by

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European Financial Reporting Advisory Group (EFRAG)

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# UNCTAD ISAR 40<sup>th</sup> session

Current state of global financial and sustainability reporting frameworks,  
standards and codes: prospects of further harmonisation

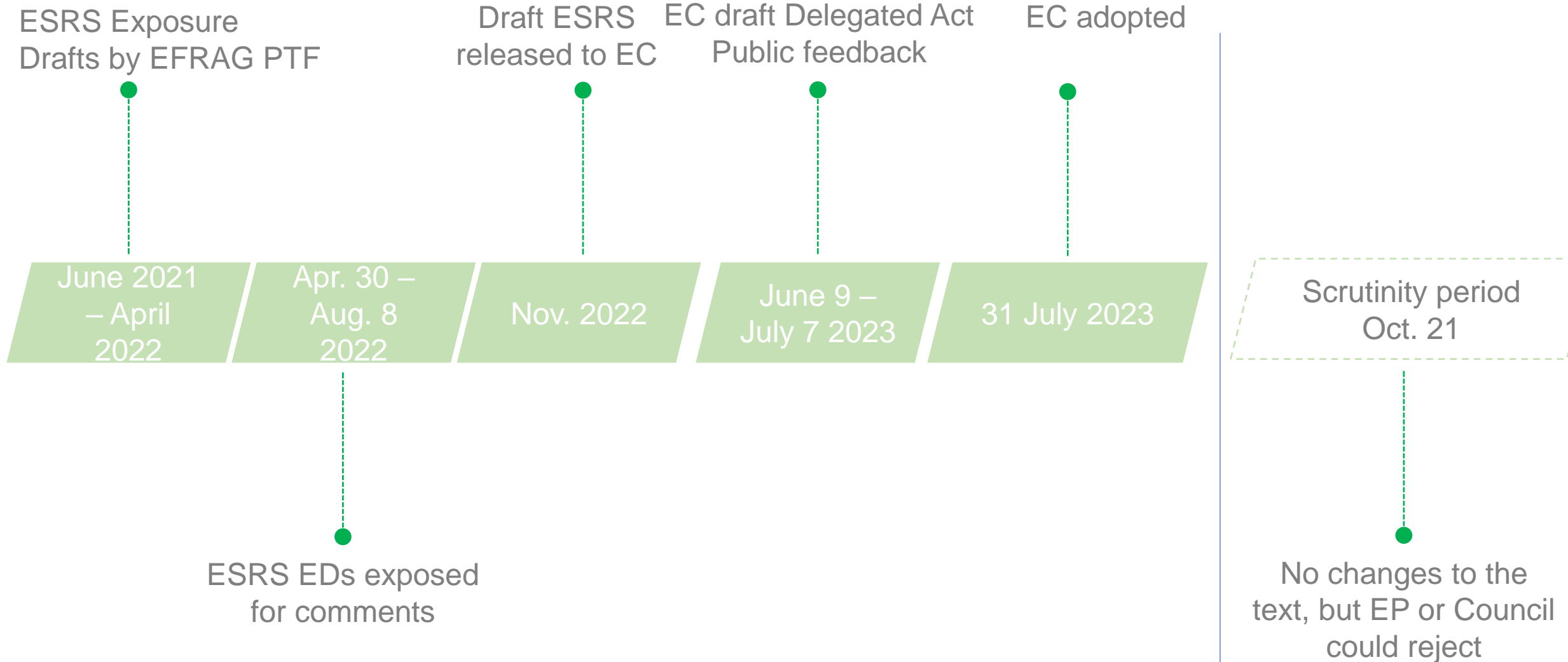
Abu Dhabi, 17 October 2023

Saskia Slomp

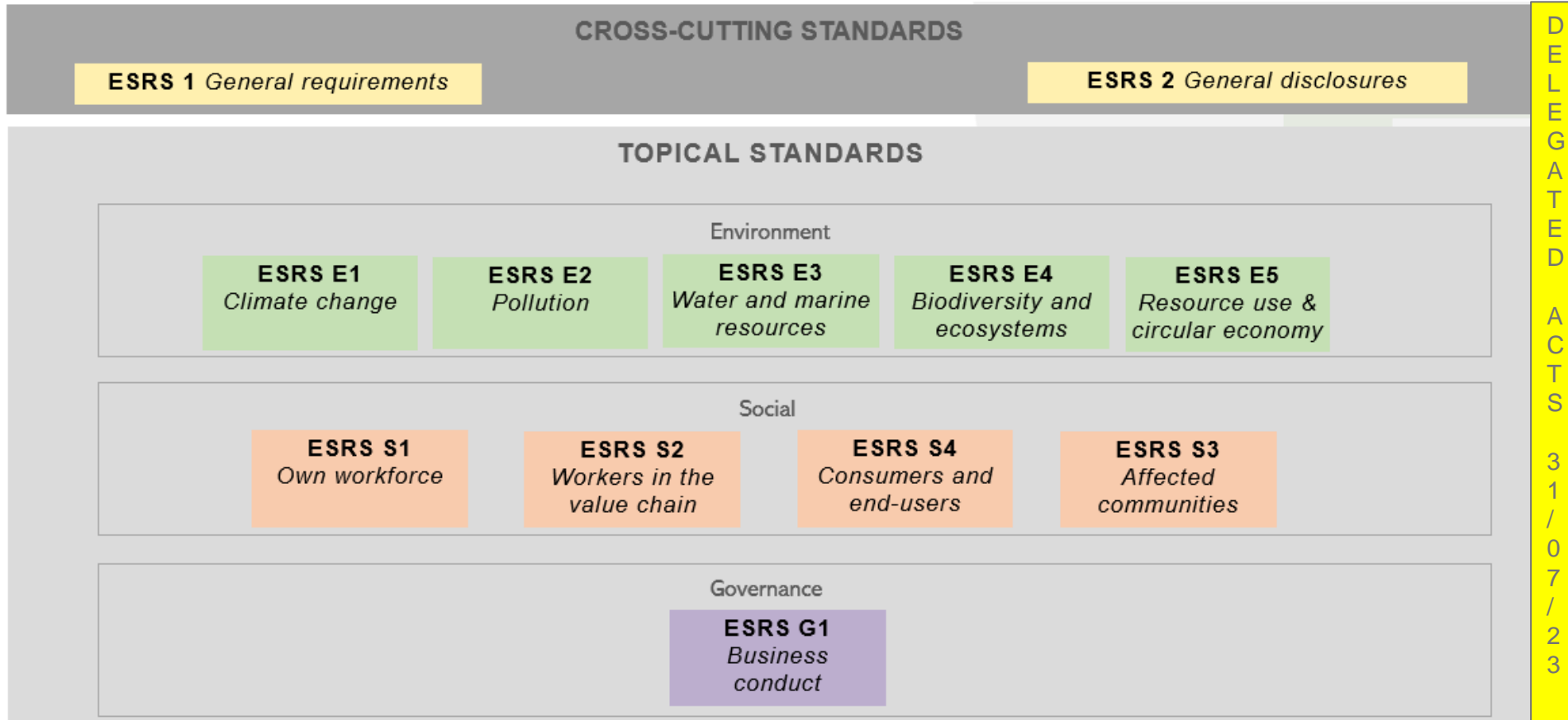
EFRAG CEO



# The sector agnostic standards on the finish line



# The first set of sector agnostic ESRS elaborated by EFRAG



## 84 Disclosure Requirements

Qualitative or quantitative

### Double materiality

- Financial materiality
- Impact materiality

### 4 pillars

- Governance
- Strategy
- Impact, risk and opportunity management
- Metrics and targets

### Digital taxonomy

... to be complemented by sector specific standards + SME standards (next steps)

# Interoperability at the heart of the ESRS approach

- Building on and contributing to global sustainability reporting progress:
  - ✓ Long-standing achievements as a key source of inspiration: GRI, UN, OECD, TCFD
  - ✓ Support to the global baseline developments: ISSB, SASB, IIRC, CDSB
- Avoiding multiple reports:
  - ✓ Counterproductive for the overall progress of sustainability reporting
  - ✓ Burdensome for preparers, difficult to understand for users
  - ✓ Both in human-readable and machine-readable formats
  - ✓ Possibility to add disclosures stemming from other sets of standards as long as identified clearly (ESRS 1 §114 and ESRS 2 §15)

International Sustainability Standards Board  
(ISSB)



## **EFRAG's interim assessment of interoperability:**

- EFRAG assesses a very high degree of interoperability between the two sets of standards:
- ESRS preparers will to a very large extent report the same information as companies that use ISSB standards; and
- This significantly reduces the risk that ESRS reporters will have to report the same information twice.

**EFRAG has published a mapping table working document which illustrates the above**

# Key interoperability steps achieved in practice

Global Reporting Initiative (GRI)

GRI

EFRAG and GRI agreement:

- A high level of interoperability has been achieved in respect to impact reporting;
- Entities complying with ESRS considered reporting *with reference* to GRI Standard (as defined by GRI 1).

**EFRAG and GRI have issued on September 4th a joint statement of interoperability**

# EFRAG 's current and future activities

- **Implementation support**

- Providing non-authoritative guidance: materiality assesment, value chain, data points, and others to come
- Answering FAQs: ESRS implementation Q&A process with access point
- Facilitating access to relevant documents and education

- **SME standards**

- Listed SME standard (LSME)
- Voluntary SME standard (not in CSRD scope)

- **Sector specific draft ESRS** (complementary to sector agnostic ESRS)

- **Digital taxonomy first set of ESRS**



## Follow us



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