

A satellite view of Europe at night, showing the continent illuminated by city lights against the dark background of the Earth. The sun is visible in the upper right corner, creating a bright glow. The text is overlaid on a semi-transparent grey box.

2023 EFRAG Conference

European corporate reporting:
two pillars for success

28 November 2023, 9:00 - 17:30 CET

The Hotel Brussels



Hans Buysse

EFRAG Administrative
Board President

Opening & Welcome



Pascal Durand
Rapporteur CSRD,
MEP

Keynote speech

Sustainability Reporting: State of play



Jean-Paul Servais
IOSCO Chair

Keynote speech

Sustainability Reporting: State of play

Keynote speech

Sustainability Reporting: State of play



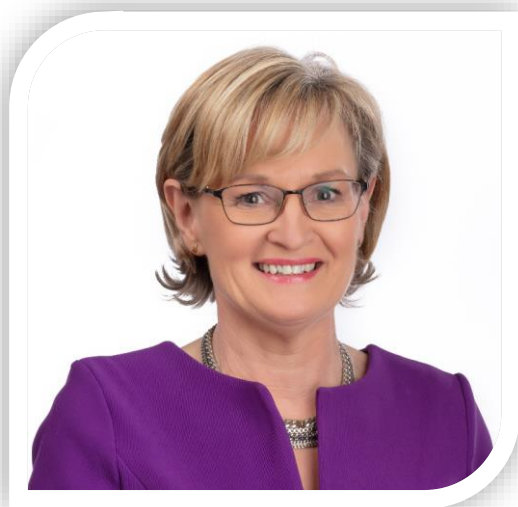
Emmanuel Faber
ISSB Chair

Keynote speech

Sustainability Reporting: State of play



Patrick de Cambourg
EFRAG SRB Chair



**Commissioner
Mairead McGuinness**
Financial services, financial
stability and Capital Markets
Union, EC

Keynote speech

Corporate reporting



Tribute to Jean-Paul Gauzès

Coffee Break

10:45 – 11:15

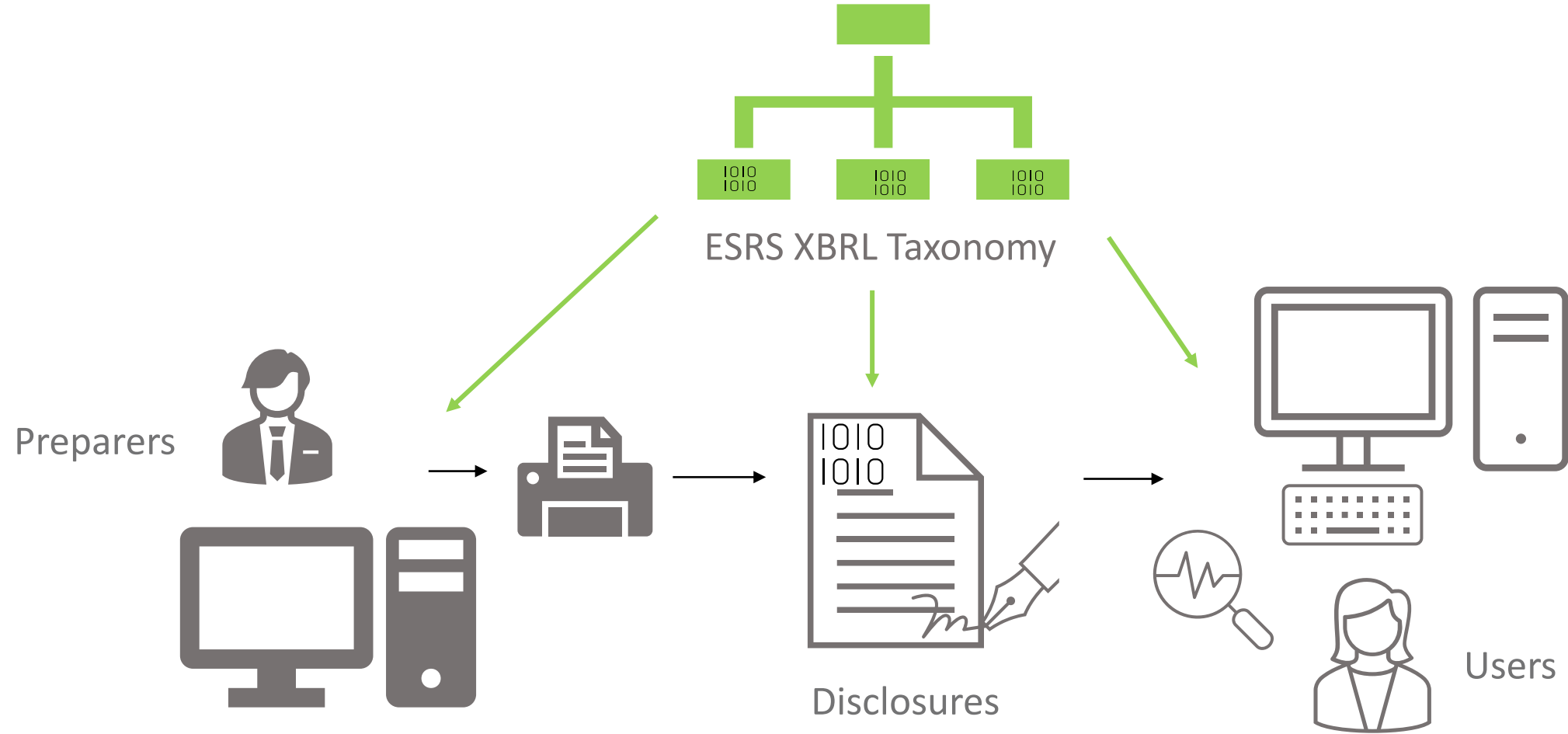


Richard Boessen
EFRAG Senior Manager
Digital Reporting

Keynote speech

Enabling digital ESG disclosures:
The Draft ESRS XBRL Taxonomy
on the finish line

The digital ESRS XBRL Taxonomy: building a bridge





John Turner
XBRL International CEO

Keynote speech

Opportunities of digital
reporting from the start

Digital Reporting



John Turner

EFRAG 2023 Conference

HOW

WHY

WHAT

WHO

How does digital reporting work?

- A flexible framework for digitisation of reports of any kind.



- Global Not For Profit.
- Freely Licensed. Open.
- Public Interest Purpose.
- 200+ Regulatory Implementations.
www.xbrl.org

Our Climate-related Financial Disclosure continued

Operational emissions	2022			2021		
	UK	Overseas	Total	UK	Re-presented Overseas ¹	Total ¹
Emissions						
Scope 1 (tCO ₂ e)	6,550	1,976	8,526	8,870	1,724	10,594
Scope 2 (tCO ₂ e) - market-based	—	563	563	—	2,288	2,288
Scope 3 (tCO ₂ e)	3,172	1,697	4,869	1,072	582	1,654
Total emissions (tCO₂e)	9,722	4,236	13,958	9,942	4,594	14,536
Carbon avoidance credits (tCO ₂ e) ²	(9,722)	(4,236)	(13,958)	(9,942)	(4,594)	(14,536)
Total net market-based emissions (tCO₂e)	—	—	—	—	—	—
Intensity ratios (market-based)						
Scope 1 and 2 - market-based emissions (tCO ₂ e) / £ million GWP	0.46	0.54	0.48	0.58	0.97	0.66
Total market-based emissions (tCO ₂ e) / £ million GWP	0.69	0.90	0.74	0.65	1.11	0.75
Total market-based emissions (tCO ₂ e) / employee	0.59	0.59	0.59	0.64	0.60	0.63
Location-based emissions (tCO₂e)						
Scope 1 (tCO ₂ e)	6,550	1,976	8,526	8,870	1,724	10,594
Scope 2 (tCO ₂ e) - location-based	5,024	2,813	7,837	5,912	3,517	9,429
Total Scope 1 and 2 location-based (tCO₂e)	11,574	4,789	16,363	14,782	5,241	20,023
Scope 3 (tCO ₂ e)	3,172	1,697	4,869	1,072	582	1,654
Total location-based (tCO₂e)	14,746	6,486	21,232	15,854	5,823	21,677
Intensity ratios (location-based)						
Scope 1 and 2 - location-based emissions (tCO ₂ e) / £ million GWP	0.82	1.01	0.86	0.97	1.27	1.03
Total location-based emissions (tCO ₂ e) / £ million GWP	1.04	1.37	1.12	1.04	1.41	1.12
Total location-based emissions (tCO ₂ e) / employee	0.89	0.91	0.90	1.02	0.76	0.93
Energy consumption						
Energy consumption (MWh)	57,233	14,537	71,770	65,547	15,524	81,071

Notes:

Scope 1: Natural gas, fugitive emissions (leakage of gases from air conditioning and refrigeration systems), oil, and company-owned car

Scope 2: Electricity

Scope 3: Includes certain Scope 3 categories for business travel (category 6) and grey fleet (private cars used for business) (category 6), waste (category 5) and water

Location-based: A location-based method reflects the average emissions intensity of grids on which energy consumption occurs

Market-based: A market-based method reflects emissions from electricity that companies have purposefully chosen

In 2022 and 2021 we offset our residual carbon emissions from our Scope 2 market-based total as this takes account of the reduced emissions from our use of electricity from renewable sources. In 2020 and 2019 we offset

Scope 2 location-based total. As at 1 March 2023, the 16,354 credits purchased in relation to the 2022 market-based emissions footprint were retired

Includes Scopes 1 and 2 energy MWh and fuel from company car use

1. The 2021 comparatives have been re-presented following review of the treatment of the 50% joint venture in China. See note 1 in the Climate-related Financial Disclosure report.

2. All residual emissions have been offset.

Aviva plc

1.65

Annual Report and Accounts 2022

Operational and financed emissions

Scope 1 emissions relate to our operations excluding electricity usage. Scope 2 emissions relate to electricity usage of our operations. Scope 3 emissions relate to the value chain across 15 different categories. Aviva is engaged with regulators, industry bodies, alliances and companies across multiple sectors to develop consistent and standardised frameworks and approaches to calculate Scope 3 emissions. Aviva reports Scope 3 emissions as follows:

Not yet reported	Category 1 - Purchased goods and services
------------------	---

Included in operational carbon emissions	Category 3 - Fuel and energy-related activities, Category 5 - Waste generated in operations, Category 6 - Business travel, Category 7 - Employee commuting
--	--

Aviva does not engage in activities linked to these categories	Category 2 - Capital goods, Category 4 - Upstream transportation and distribution, Category 8 - Upstream leased assets, Category 9 - Downstream transportation and distribution, Category 10 - Processing of sold goods, Category 11 - Use of sold products, Category 12 - End-of-life treatment of sold products, Category 13 - Downstream leased assets, Category 14 - Franchises
--	---

Included in Financed emissions	Category 15 - Investments
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Fact Properties



Concept

- (direp) Emissions, direct, total

Dimensions

Reporting Region [Dimension]

UK and Offshore

Properties

Date 1 Jan 2022 to 31 Dec 2022

Fact Value 8,526 utr:t

Accuracy ones

Scale Unscaled

Change 19.5% decrease on 1 Jan 2021 to 31 Dec 2021

Entity [LEI] YFOY5B0IB8SM0ZFG9G81

Concept direp:EmissionsDirectTotal

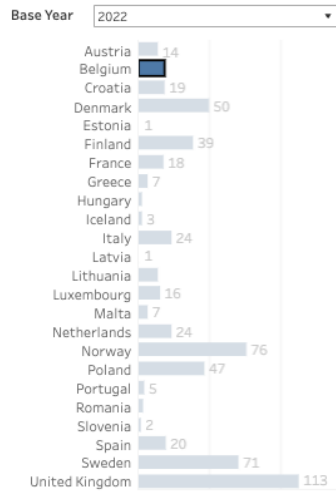
Taxonomy http://xbrl.frc.org.uk/reports/... 01-01/direp

< 1 of 1 >

Anchoring

filings.xbrl.org

fxo-20230926



Reports

18

Reports with Errors

Meta info details →

Reports with derived metrics

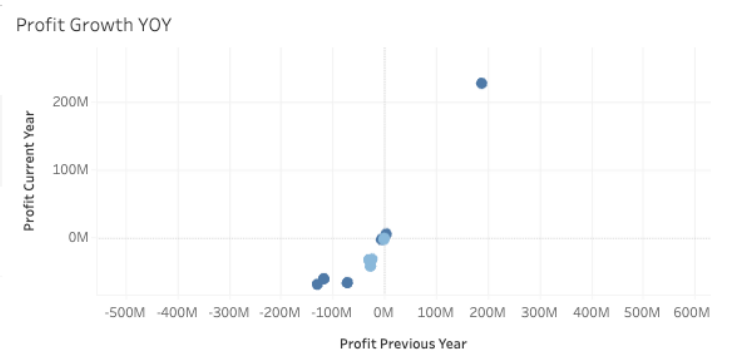
Profit Growth %	94%
Effective Tax Rate	94%
Current Ratio	100%
Debt Equity Ratio	44%
Interest Coverage Ratio	100%
Goodwill Changes	56%

Facts

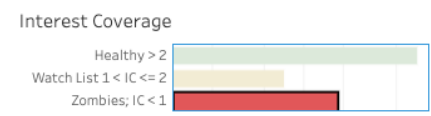
426

Concepts Extended: 12

Extension %: 5



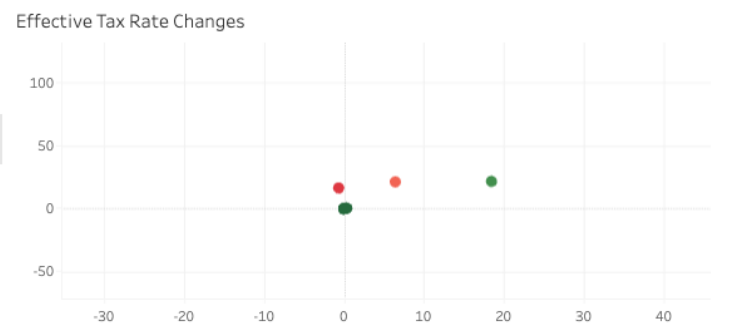
Profit Growth Details →



Interest Coverage Details →

Debt Equity Ratio Details →

Current Ratio Details →



EffectiveTax Rate Details →

Not Restated: 18

Cash Flow Profile



Cash Flow Profile Details →

Effective Tax Rate

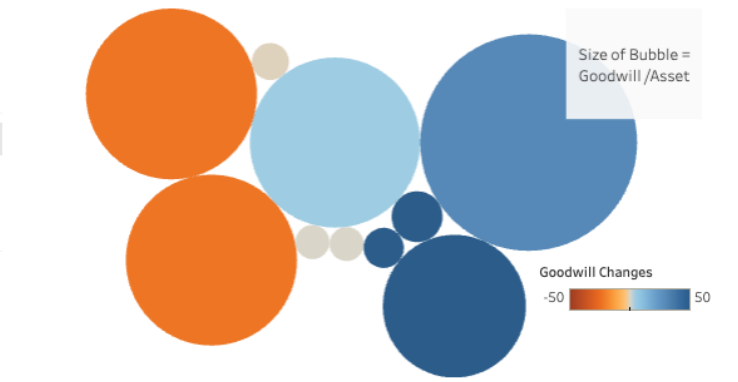


Treasury shares



Treasury Shares Details →

Goodwill Changes



Goodwill Changes Details →

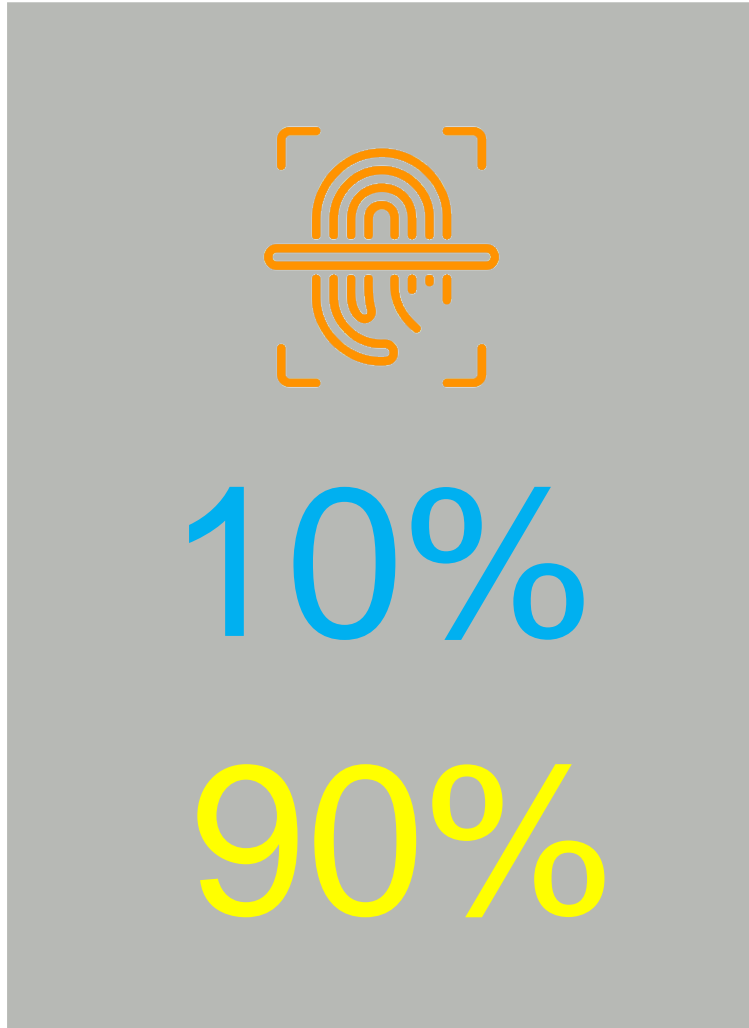
Why is this important?

DIGITAL

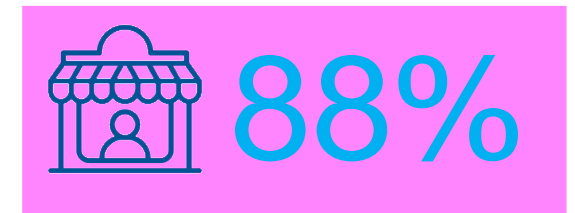
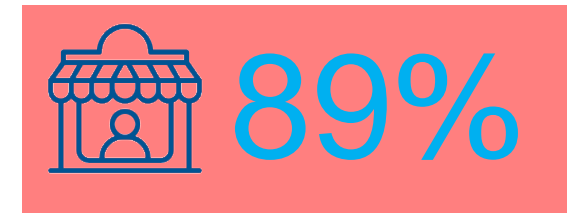
or

INVISIBLE

Why does this matter in an AI era?



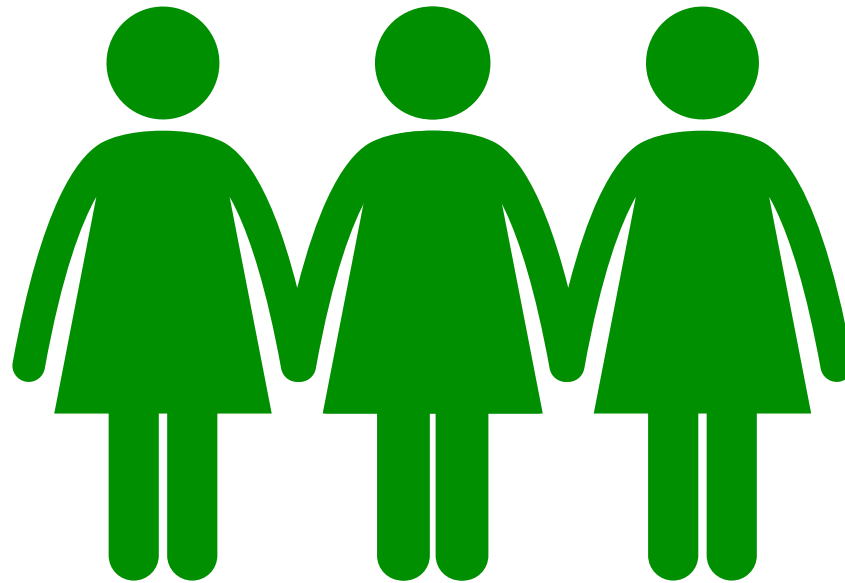
VS



Why worry about comparability?

- **Global reality is that we will live with sister standards for some time.**

86% of companies use multiple standards today.

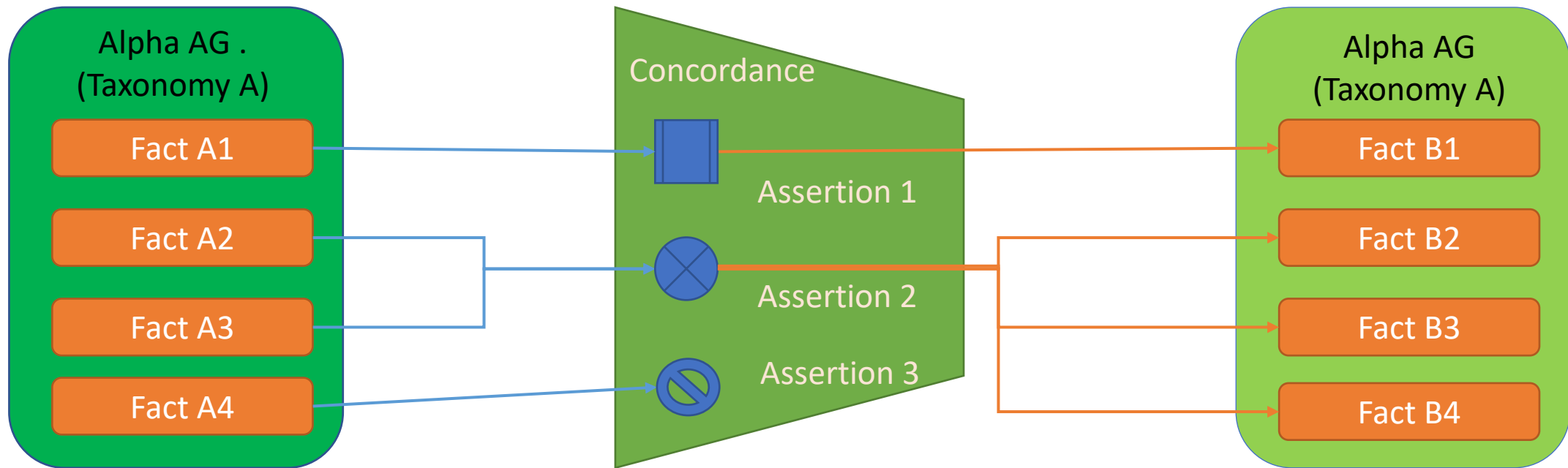


Faced with inconsistent disclosures, users will turn to proxies and guess work.

The next 18 months are critical.

What needs to happen now?

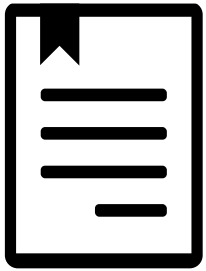
- We need official, digital mapping. We call it a **Concordance**.



Inherently – A Collaboration Between Standards Setters

Who needs to work on this?

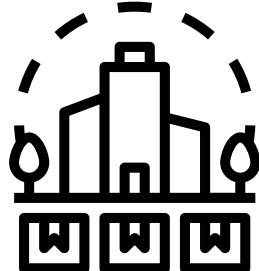
- **Tag! You're It! Digital Quality, Reliability and Relevance is a Joined-Up Responsibility**



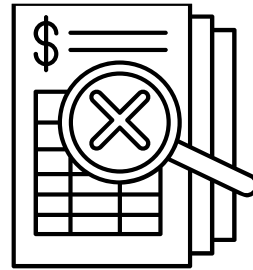
Standards
Setters



Regulators



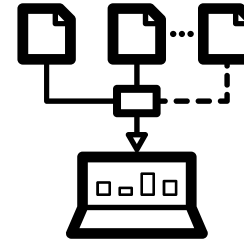
Companies



Auditors



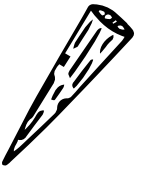
Software
Vendors



Data
Providers



Investors



Other
Stakeholders

HOW

- Digital reporting works and the collaboration required across the reporting supply chain.

WHY

Digital reporting is vital for sustainability disclosures and the relevance, competitiveness and leadership of European business.

WHAT

What needs to happen next to ensure that CSRD disclosures can be compared with others around the world? Official concordances are key.

WHO

Tag... you're it!
Everyone has a role in making digital disclosures under ESRS and IFRS high quality, highly reliable and highly relevant.

Our **purpose** is to improve the accountability and transparency of business performance globally, by providing the open data exchange standard for business reporting.

Our standards are freely licensed. We operate as a global public interest not-for-profit.



Join Us!

xbrl.org

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Panel Sustainability Reporting

Implementation support
for ESRS

Introduction



Chiara Del Prete
EFRAG SR TEG Chair



Eelco van der Enden
GRI CEO



Sébastien Godinot
Economist, WWF

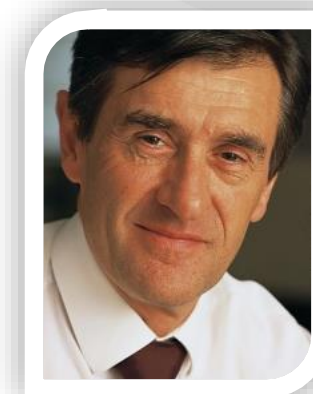


Moderator

Kerstin Lopatta
EFRAG SRB
member and
former Acting
EFRAG SRB Chair



Mark Vaessen
Accountancy Europe
President



Luc Vansteenkiste
EFRAG SRB
member and
European Issuers
Chair

“ESRS will be challenging for companies.

And that's why we're asking EFRAG, who developed the draft standards, to focus attention on providing additional guidance for companies to apply the first set of horizontal standards.

We have asked EFRAG to prioritise its efforts on that first set of horizontal standards over preparatory work for the sector standards.”

Opening address by Commissioner McGuinness at the launch of 2023 PwC CEO Report – Europe, 21 March 2023

ESRS Implementation Guidance – the first three documents

ESRS IG 1 – List of ESRS datapoints

- Detailed list of disclosure requirements in ESRS Set 1 – Delegated Act – datapoints in EXCEL

ESRS IG 2 – Value chain

- Illustration of the reporting requirements on value chain
- FAQs on value chain reporting
- Value chain map

ESRS IG 3 – Materiality assessment

- Illustration of the reporting requirements on materiality assessment
- FAQs on double materiality assessment
- Illustration of possible steps of the process

ESRS Q&A Platform



- Decision making: SRB supported by SR TEG
- Dedicated due process
- Categorization and answers discussed in public
- Log of questions available on EFRAG website

Not exposed to public feedback

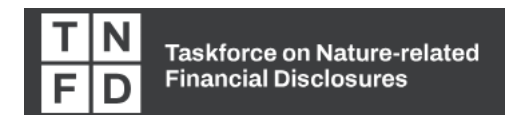
- Explanations
- Rejections

Exposed to feedback/comments

- Implementation Guidance (30 days min. public feedback)
- Possible amendments to ESRS (full due process)

Interoperability maps

- To avoid double reporting
- Leveraging on the high-level of interoperability achieved in the standards
- Educational material material issued jointly
- Illustration of the correspondence of detailed requirements in ESRS that correspond to the other standard
- Paving the way to digital interoperability



Introduction



Chiara Del Prete
EFRAG SR TEG Chair



Eelco van der Enden
GRI CEO



Sébastien Godinot
Economist, WWF

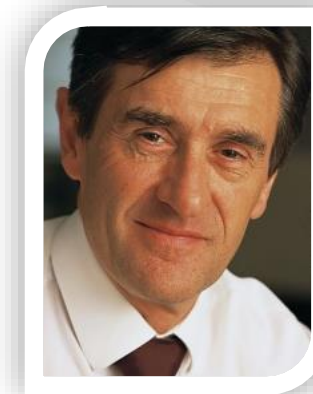


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Mark Vaessen
Accountancy Europe
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Luc Vansteenkiste
EFRAG SRB
member and
European Issuers
Chair



Eelco van der Enden
GRI CEO

Keynote speech

Closing remarks on the
importance of implementation

Lunch

12:30 – 14:00



Panel Sustainability Reporting

European Sustainability
Standards for SMEs

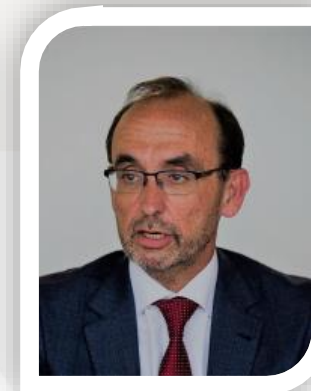
Introduction



Elisa Bevilacqua
EFRAG SR Senior Technical
Manager



Etienne Barel
Deputy Chief
Executive Officer of
the French Banking
Federation

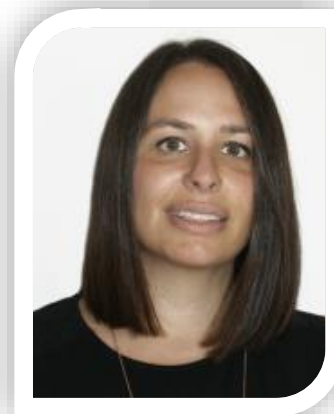


Salvador Marin
EFRAG SRB member
& EFAA President

Moderator



Sven Gentner
EFRAG Head of Unit
Corporate Reporting,
Audit and Credit
rating agencies,
DG FISMA EC



Cristina Saporetti
Head of
sustainability
reporting, Eni



Véronique Willems
SMEUnited
Secretary General

Key Features:

- Legally binding (art. 19a 6 and 29c of CSRD) define the list of sustainability matters and content
- A derogation from main ESRS => EC to adopt it as Delegated Act / standalone standard.
- Applies from 2026 + 2 additional years opt-out

Scope¹

- EU and non-EU SMEs listed in EU regulated markets: ≈ 700 -1.000
- SNCl²: 2.235 (source EBA)
- Captive insurances and reinsurances (no official data)

Role of LSME in CSRD

- **Investors protection**, enhanced access for listed SMEs to financial capital and investment portfolios (to include SFDR & Taxonomy)
- **“proportionate” and relevant** to the scale and complexity of the activities, and to the capacities and characteristics of SMEs => substantial reduction of DRs and datapoints
- Individual perspective statement (LSME is not prepared on consolidated basis)
- **Technical role:** legally defines the 'cap' for value chain -> limit for large undertakings to obtain information from SMEs in their value chain

¹ Accounting Directive definitions

² SNCl: Small non-complex institutions

Key Features

- **Not legally binding** – outside CSRD- but to fulfill market needs.
- **Scope:** non-listed micro and SMEs in EU (99.8% of total companies)
- **Proportionality** = simplified language + modularity ; ESRS consistency

Market acceptance as a pre-requisite for VSME

- **Objective** for SMEs:
 - i. start ESG journey = competitive growth, resilience,
 - ii. standardised data set to respond ESG info request (banks /sustainable finance; large corporate/ supply chain)
- **User needs**
 - i. [EC Q&A Delegated Acts ESRS in July 2023](#): “EFRAG is developing simpler, voluntary standards for use by non-listed SMEs [...] to respond to requests for sustainability information in an efficient and proportionate manner, and so facilitate their participation in the transition to a sustainable economy.”
 - ii. [EC SME Relief Package of September 2023](#) refers to **VSME as a measure to support SMEs in accessing sustainable finance.**
- **Commitment of market participants** (larger corporates and banks) essential for the success of the standard

Basic Module

- Entry level for non listed SMEs
- Target for micro-undertakings
- **Simplified language (No materiality)**
- **[11] Disclosure Requirements**
 - Simplification: all required BUT whenever it is appropriate ‘IF APPLICABLE’

Narrative – PAT

- SMEs undertakings that have already PAT in place and to report
- **Simplified language (including for materiality)**
- **List of material matters (out of AR 16)**

Business Partners

- When SME are required to face questionnaires from business partners
- **Sustainable Finance datapoints** (T1 SFDR PAI, Pillar 3, Benchmark) . Assumption: proxies for ESG management
- [11] Disclosure Requirements

LSME and VSME – Public consultation

January 2024

Autumn 2024

EFRAG will consult on LSME and the VSME

Approximate timeline: January 2024 (duration 4 months)

LSME and VSME final deliverable:
Autumn 2024

Cost Benefit Analysis

Key objectives

EFRAG is seeking to obtain the public's view on:

- LSME and the general simplifications applied and the approach taken + field tests
- VSME and its market acceptance, the simplifications applied (language and structure) and on the application guidance that is provided in the standard + field tests

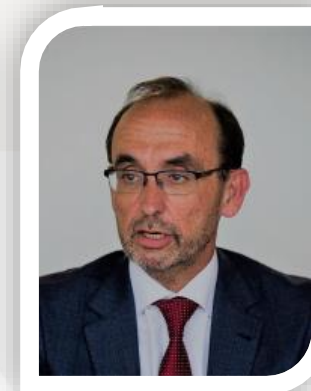
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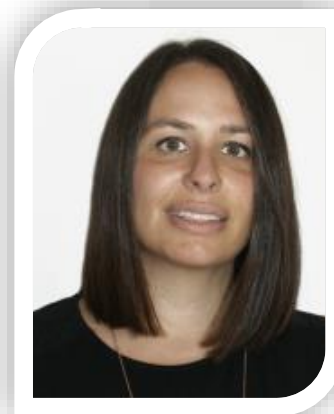


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sustainability
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Véronique Willems
SMEUnited
Secretary General

Keynote speech

Financial Reporting: State of play



Wolf Klinz
EFRAG FRB Chair

FINANCIAL REPORTING - STATE OF PLAY

In the backdrop of an ever-changing economic and business environment that is characterised by a wide range of risk factors including rising interest rates, surging inflation and climate-related risks, financial reporting has never been so important

Since the establishment of EFRAG in 2001 and the adoption of IFRS in 2005 by the EU, European views are properly considered

EFRAG influences the IASB's standard setting through its proactive research activities

Pro-active research activities: *Upstream influence*

To achieve this, EFRAG seeks input from all European stakeholders

Re-active activities: *Improving IFRS accounting standards*

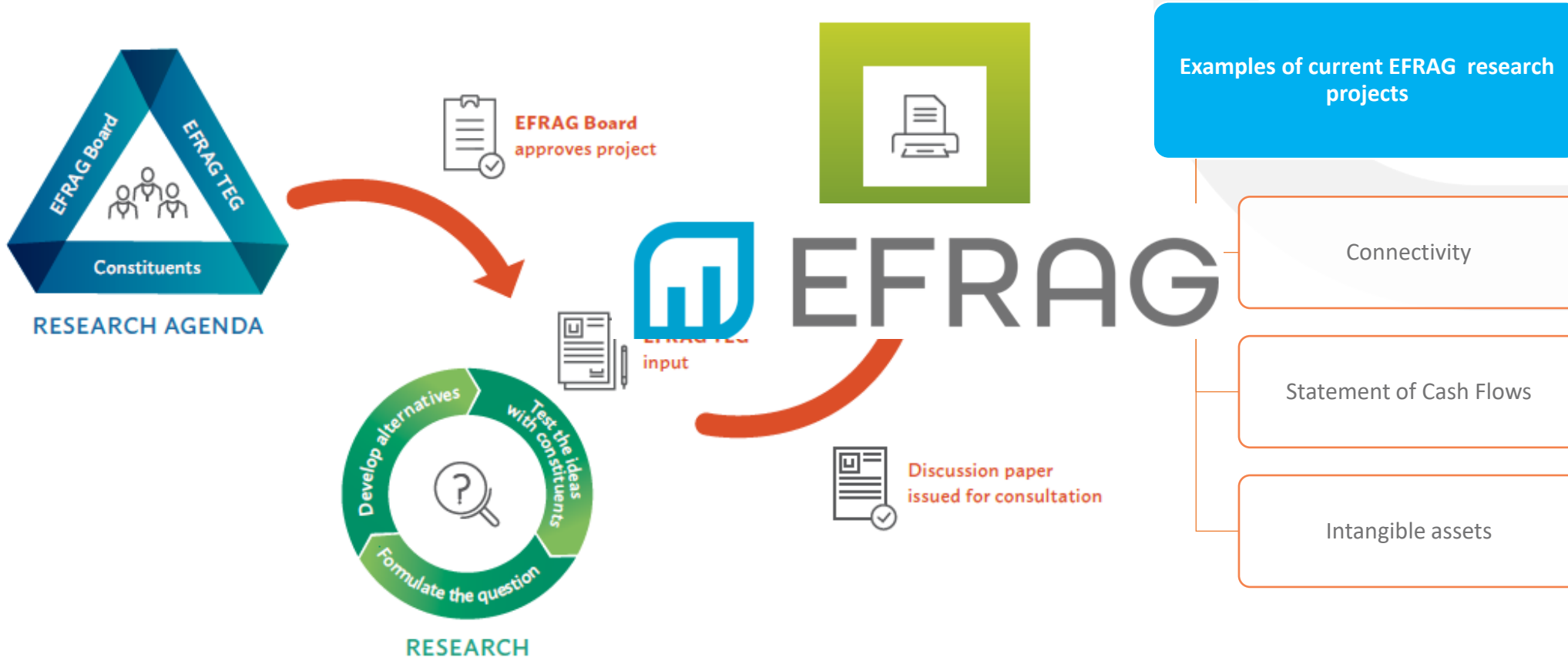
EFRAG provides endorsement advice to the European Commission

Its legitimacy is built on excellence, transparency, governance, due process, public accountability and thought leadership

Endorsement activities: *the EU's IFRS endorsement process*

EFRAG's role is to ensure that IFRS Accounting Standards are fit for use in Europe

PROACTIVE RESEARCH ACTIVITIES - UPSTREAM INFLUENCE



RE-ACTIVE ACTIVITIES - IMPROVING IFRS ACCOUNTING STANDARDS

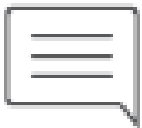
Examples of expected new IFRS accounting standards in 2024

Primary Financial Statements

Subsidiary Without Public Accountability



IASB issues a proposal for a standard

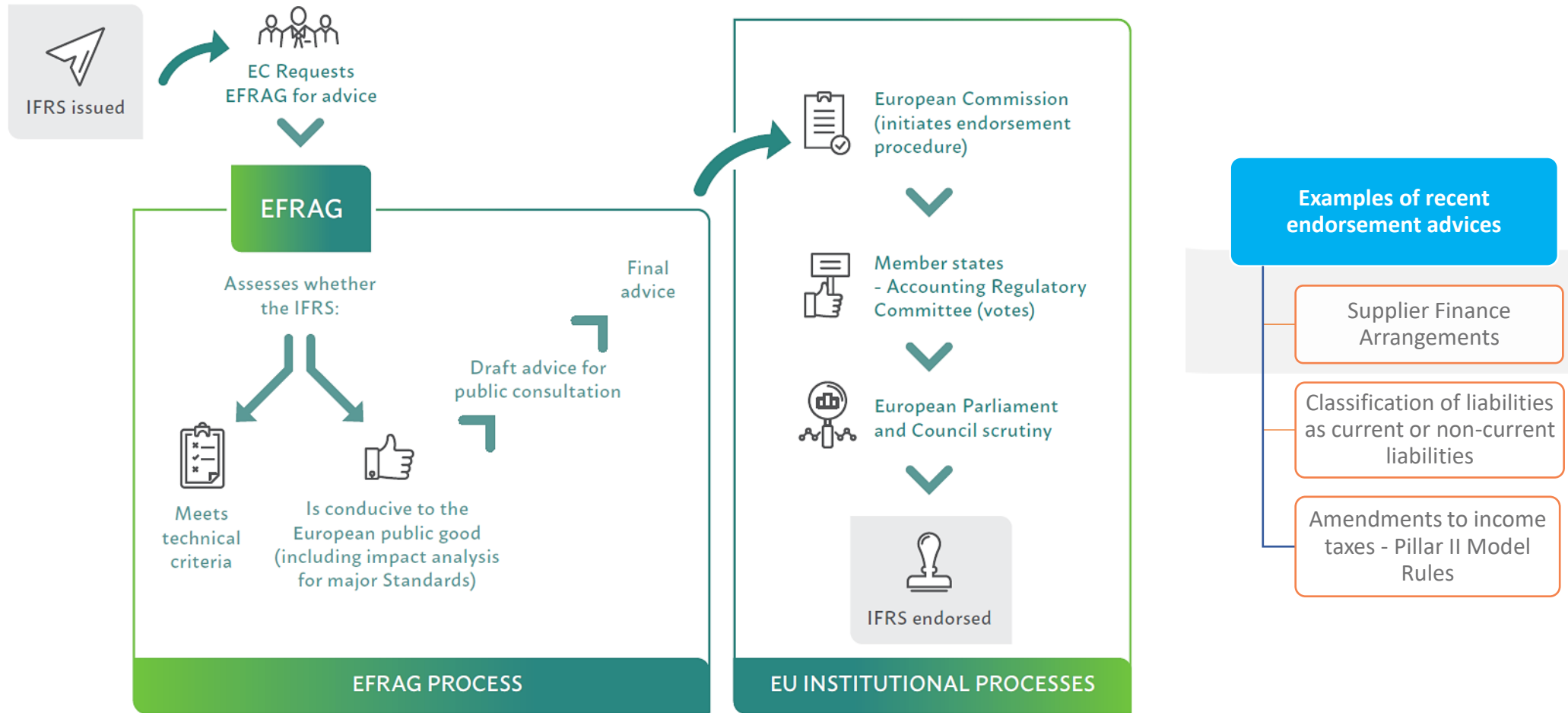


EFRAG publishes comments to the proposal



IASB issues the standard

ENDORSEMENT ACTIVITIES - THE EU'S IFRS ENDORSEMENT PROCESS





Linda Mezon-Hutter
IASB Vice Chair

Keynote speech

Financial Reporting: State of play

Financial reporting – state of play

2023 EFRAG Conference

Linda Mezon-Hutter
IASB Vice-Chair
28 November 2023

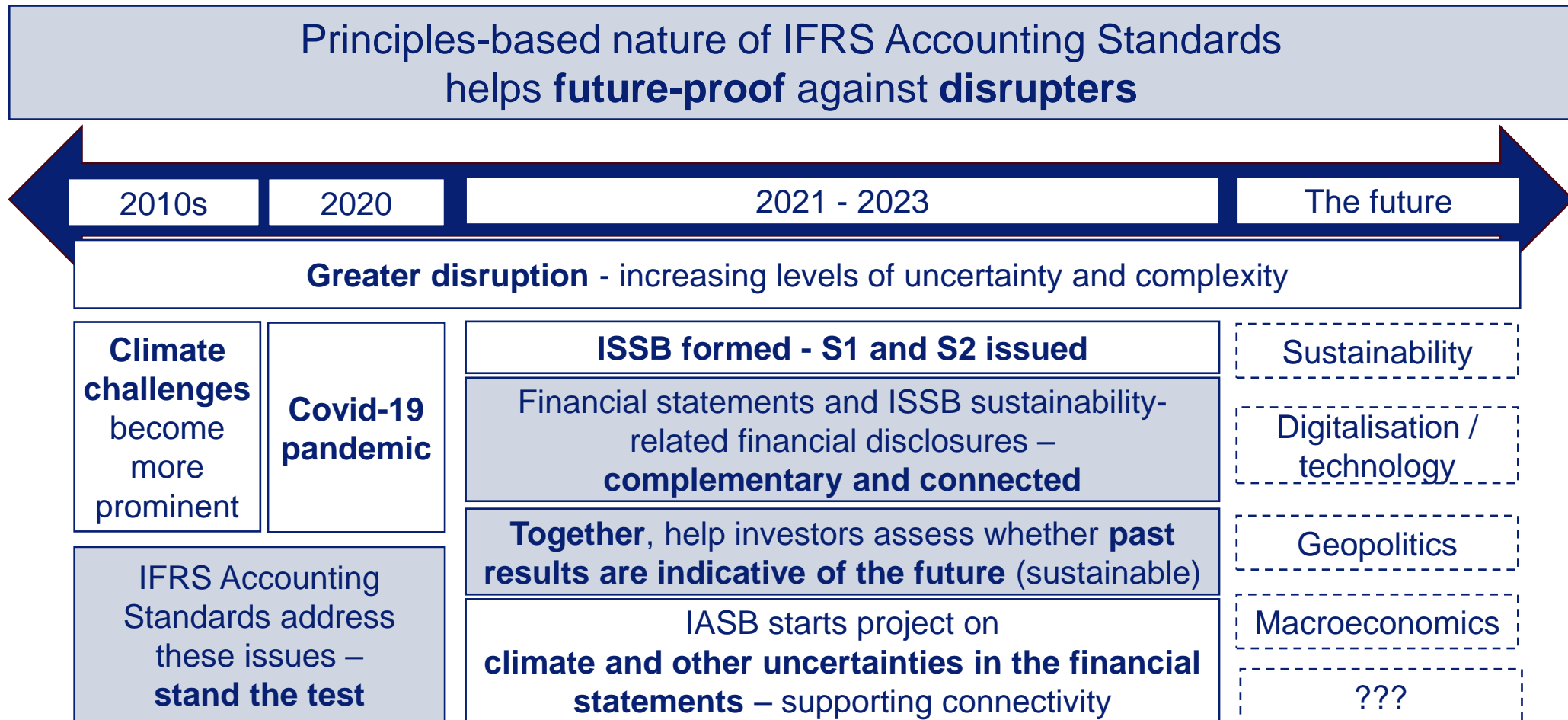
Financial reporting – reflections on the past

With millennia of history, financial reporting is the **foundation** for transparency, accountability and efficiency in the global capital markets today

BCE	15 th century	Post WW2 years	1973	2000	2002	2008
<p>Ancient civilisations – evidence of financial records</p>	<p>Luca Pacioli, ‘Father of accounting’ – framework for modern accounting</p>	<p>Growing economic integration and cross-border capital flows – recognised need for international harmonisation</p>	<p>IASC created – agreement by major accounting bodies around the world</p>	<p>IFRS Foundation created</p> <p>IOSCO recommends use of IFRS Accounting Standards</p>	<p>EU requirement from 2005 for IFRS Accounting Standards – catalyst for other jurisdictions</p>	<p>Financial crisis – leads to IFRS 9</p>

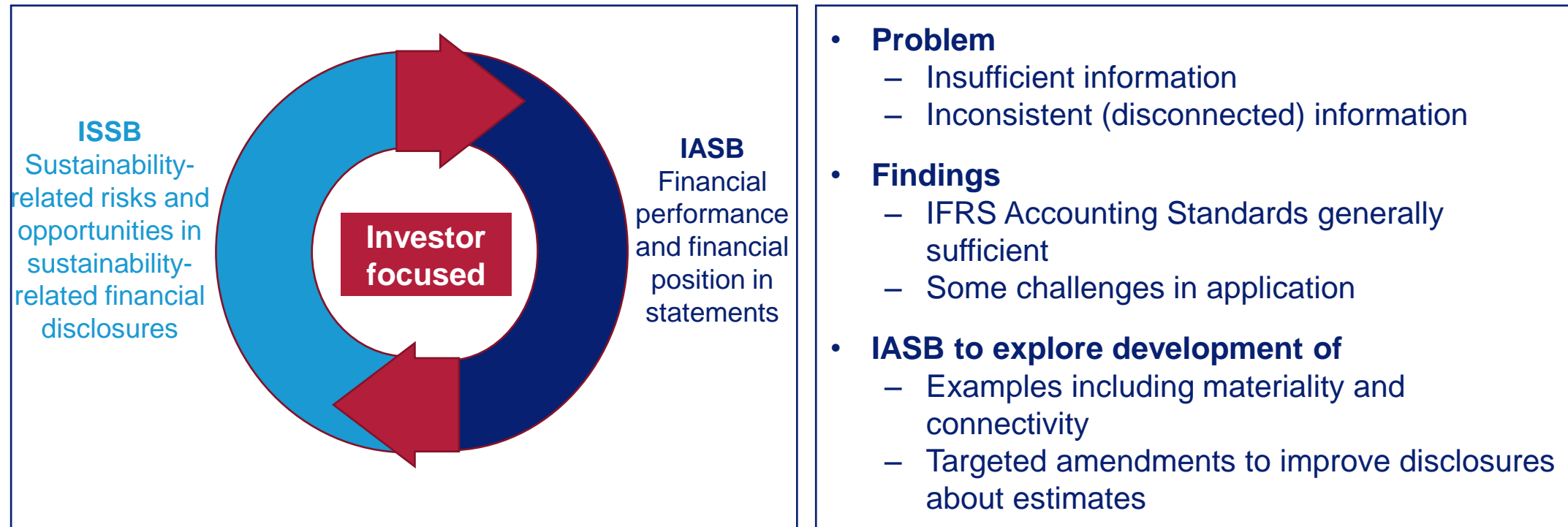
A legacy of **adapting** to the environment

Financial reporting – recent years and the future



IASB project – Climate and other uncertainties in financial statements

Facilitating **connectivity** between financial statements
and sustainability-related financial disclosures



Follow us online

 ifrs.org

 @IFRSFoundation

 IFRS Foundation

 International Accounting
Standards Board



Verena Ross
ESMA Chair

Keynote speech

Financial Reporting: State of play

Coffee break

15:30 – 16:00



Panel Sustainability Reporting

Connectivity:
Building bridges

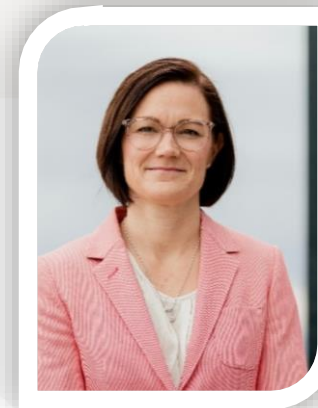
Introduction



Sebastien Harushimana
EFRAG FR TEG Chair



Kirsten Margrethe Hovi
EFRAG CAP member &
ESG Advisor Norsk Hydro

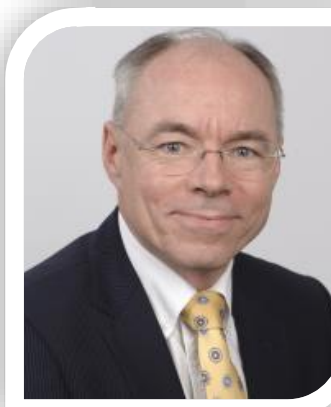


Sirkku Palmaro
EFRAG CAP
member & senior
advisor Nordic
Offset

Moderator



Jens Berger
EFRAG FR TEG Vice-Chair



Leo van der Tas
EFRAG CAP member,
advisor EY



Carsten Zielke
EFRAG CAP
member, Vice-
Chair EFRAG
User Panel

EFRAG CONNECTIVITY RESEARCH PROJECT - OBJECTIVES



EFRAG CONNECTIVITY RESEARCH PROJECT - OVERVIEW

Phase 1: Operationalisation of connectivity under current reporting requirements- Discussion Paper expected in 2024

Phase 2: Conceptualisation not restricted by current FR and SR boundaries

Sustainability reporting

Net zero commitments

Direct/indirect connectivity

Consistency of data, assumptions, and qualitative information

User needs/practical examples

Linkage to financial reporting

Assets, provisions, etc.

GHG Intensity metric revenue Vs IFRS 15 revenue

Tangible/intangible assets impairment tests

Risks and uncertainties

Integration in reporting

Explore integration of reporting

Align to work of IASB and ISSB

Explore changes to existing FR conceptual framework to align FR to SR reporting

Scope to be defined at a later date

Scope of SR: ESRS and ISSB SR
Scope of FR: IFRS requirements

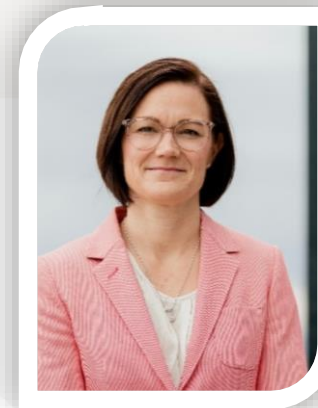
Introduction



Sebastien Harushimana
EFRAG FR TEG Chair



Kirsten Margrethe Hovi
EFRAG CAP member &
ESG Advisor Norsk Hydro



Sirkku Palmaro
EFRAG CAP
member & senior
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Christine Lagarde
ECB President

Address by the ECB



Hans Buysse
EFRAG Administrative
Board President

Closing

EFRAG STRATEGY 2024-2027: SETTING THE SCENE



EFRAG's 2024-2027 Strategy outlines specific goals and objectives to be achieved and serves as a roadmap for EFRAG to navigate through the challenging and rapidly changing environment

CHALLENGING AND RAPIDLY CHANGING ENVIRONMENT SET NEW CONDITIONS FOR EFRAG'S SUCCESS

The EFRAG organisation is growing as a result of its expanded mission (a new pillar on sustainability reporting, an expanded governance structure, an extended membership, an increased staff base and new topics in the work plan).

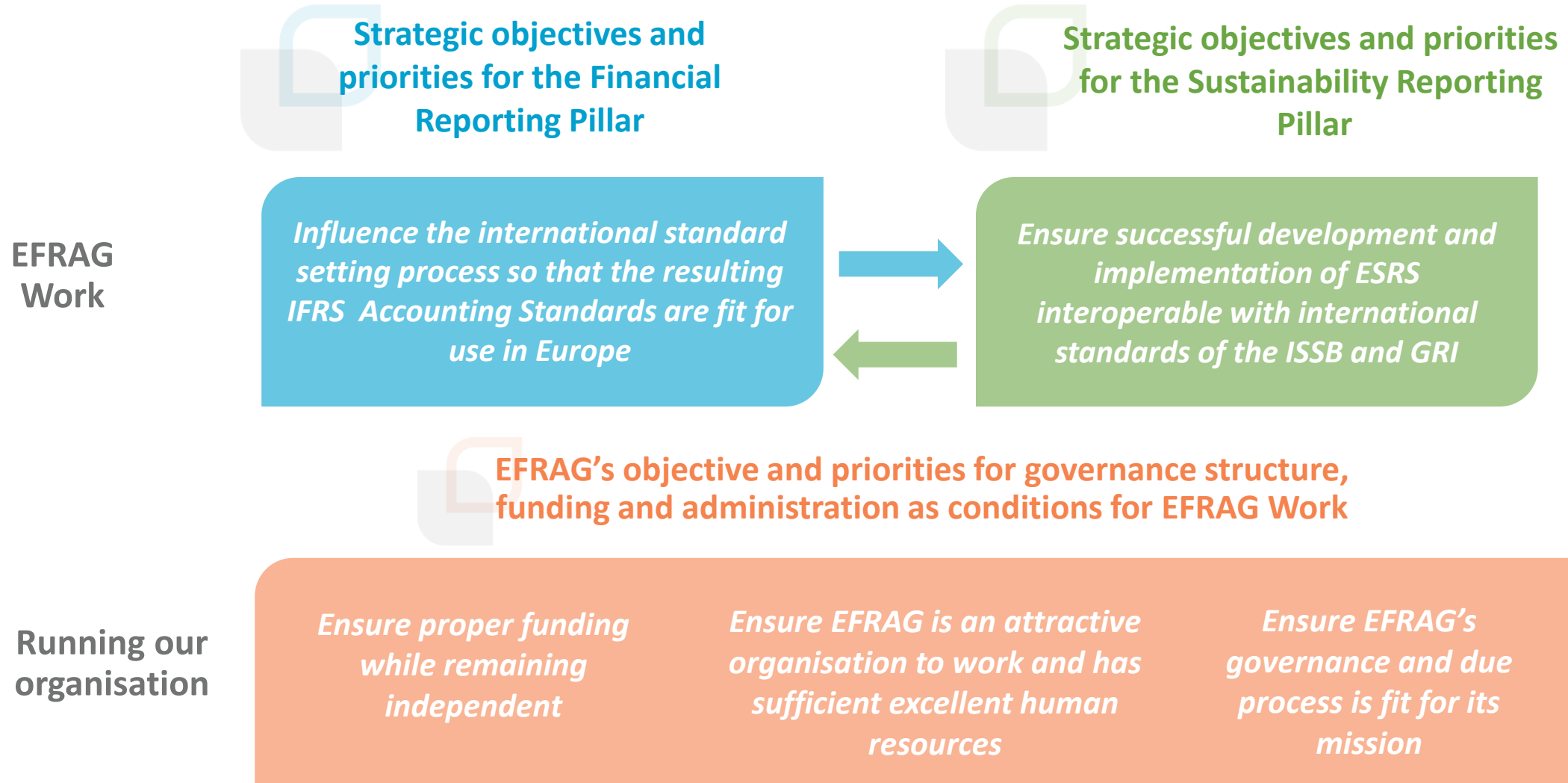
These changes represent a significant expansion of EFRAG's activities, pose new challenges and opportunities for EFRAG and set new conditions for EFRAG's success.

EFRAG'S OVERALL OBJECTIVE AS BEING EUROPE'S VOICE IN CORPORATE REPORTING

EFRAG's overall objective is to further develop its thought leadership and key contributions to the development of high-quality corporate reporting in Europe and worldwide. This objective is fundamental to allow the consensus views of relevant European stakeholders to be heard in the process.

This leads to the **European public interest** being considered in the international corporate reporting debate and standard setting process.

EFRAG STRATEGY 2024-2027: OBJECTIVES AND PRIORITIES



Support EFRAG's activities

Become:

- Friends of EFRAG
Sustainability Reporting



- Friends of EFRAG
Financial Reporting



Contact us: info@efrag.org

Friends of EFRAG



CLOSING
followed by networking reception

2023 EFRAG Conference

European corporate reporting:
two pillars for success

28 November 2023, 17:15 – 18:00 CET | The Hotel Brussels