Q&A Platform: categorisation of questions and review of explanations

Cover Note

Objectives

1   Firstly, to approve new batches of categorizations sent to SRB in advance of this meeting (paper 07-03).

2   Secondly, to approve a proposed change of categorisation of ID 515 from 'explanation' (as originally suggested by EFRAG Secretariat and approved by SRB on 7 February) to 'Implementation Guidance' (as now suggested by EFRAG Secretariat).

3   Thirdly, to approve reviewed explanation ID 32, objected by SRB in previous public sessions.

4   Fourthly, to approve the batch of explanations sent to SRB on 9 February (paper 07-02).

Background

5   As of 14 February 2024, EFRAG has received 283 questions, including 105 related to the cross-cutting, 63 to the environment, 54 to the social standards and 7 to the governance standards.

6   Approval of categorisations: As of 14 February 2024, the SRB has approved five batches of categorisations, amounting to 132 questions. The SRB has also approved 12 explanations (answers to questions categorised as such), which have been released on EFRAG's website.

7   Change of approved categorisation of ID 515: SRB categorised ID 515 as 'explanation' in its meeting of 7 Febr. EFRAG Secretariat proposes to change categorisation to 'Implementation Guidance' as the answer requires guidance beyond explicit content that is in the ESRS (see Appendix 1).

8   Explanation ID 32 was objected by the SRB on 24 January. EFRAG Secretariat has addressed the comments received by the SRB and the reviewed explanation ID will be considered for approval (see paper 07-04).

9   A new batch of explanations (paper 07-02) was sent to the SRB on 9 February with the request to provide written comments by the 20th of February. The explanations will be considered for approval during the meeting.

10   Certain questions categorised as 'Implementation Guidance' ask for examples connected to certain disclosure requirements (e.g. ID 189). EFRAG Secretariat notes that the preparation of examples is a time-consuming exercise that will be difficult to fit in the 2024 workplan.

Questions for EFRAG SRB

11   Does the SRB approve the suggested question categorisations in paper 07-03?

12   Does the SRB approve the change of categorisation of ID 515?

13   Does the SRB approve the reviewed explanation ID 32 (paper 07-04)?

14   Does the SRB approve the explanations in paper 07-02?

Next steps

15   SRB will discuss/approve new categorisations in a public SRB session in March 2024.

16   Explanations approved by SRB in today's meeting will be released on EFRAG's website.

17   SRB will be requested to review early March (tbc) the next batch of explanations approved by SR TEG.

Agenda Papers

18   In addition to this cover note, agenda papers for this session are:

(a)   Agenda paper 07-02 – Batch of explanations [sent on 9 February]

(b)   Agenda paper 07-03 – Batch of categorisations

(c)   Agenda paper 07-04 – Amended Explanations ID 32

Appendix 1: Suggested change of categorisation of ID 515

ID	Relevant ESRS	Question	Reasoning for suggesting change of category to '2b: Implementation Guidance'
515	ESRS E1 paragraph 26; Material matters and materiality of information	When scoring impacts, should we consider residual risk or inherent risk?	EFRAG Secretariat considers that this question requires guidance beyond explicit content that is in the ESRS, and may benefit from new line of research and of public feedback.

Appendix 2: Statistics of questions received as of 14 February 2024

Questions related to:	Number of questions received since 24 October 2023
Cross-cutting	105
Environment	63
Social	54
Governance	7
XBRL	8
Other	46
Not yet allocated to the above	0
TOTAL	283