Revised LSME: addressing consultation on ESRS LSME ED

Cover note

Objective

1. Present the results of the field test and public consultation of the ESRS LSME ED sections (cross-cutting and topical).

2. Discuss the strategic directions proposed by EFRAG Secretariat, based on the feedback received and on the first indication from the SRB to explore the possibility to streamline the architecture and content of ESRS LSME starting from VSME content and adding the requirements indicated by the CSRD.

3. Define a way forward for a substantial part of the re-drafting, so that before September the EFRAG Secretariat can progress in producing a revised LSME.

Background/Further information

4. The EFRAG Secretariat has analysed and summarised the responses received on the ESRS LSME Exposure Draft (LSME ED) received both via online questionnaire and via comment letters. The LSME ED was subject to public feedback from the 22 January 2024 to 21 May 2024. In parallel to the public consultation, EFRAG Secretariat has conducted a field test with preparers and users of the LSME ED to further test the usability of the standard.

Description of the issue(s)

5. Starting from the SRB tentative decision on 4 July (summarised in agenda paper 05-02), the EFRAG Secretariat intends to adopt a pragmatic approach: analyse per each disclosure whether to streamline LSME it would be more appropriate to start from VSME (and add the elements required by the CSRD for LSME), or to start from LSME ED (and simplify significantly the content/language).

Question for EFRAG SR TEG

6. EFRAG SR TEG to discuss and define directions to for a substantial re-drafting of ESRS LSME ED as presented in Paper 05-02.

Next steps

7. Re-drafting of ESRS LSME ED

Agenda papers

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

    (a) Agenda paper 05-02 – Revised LSME;

    (b) Agenda paper 05-03 – LSME Public consultation executive summary;

    (c) Agenda paper 05-04 – LSME Comment letters executive summary;

    (d) Agenda paper 05-05 – LSME Field test report and summary

Agenda papers