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EFRAG Connectivity project

Cover Note

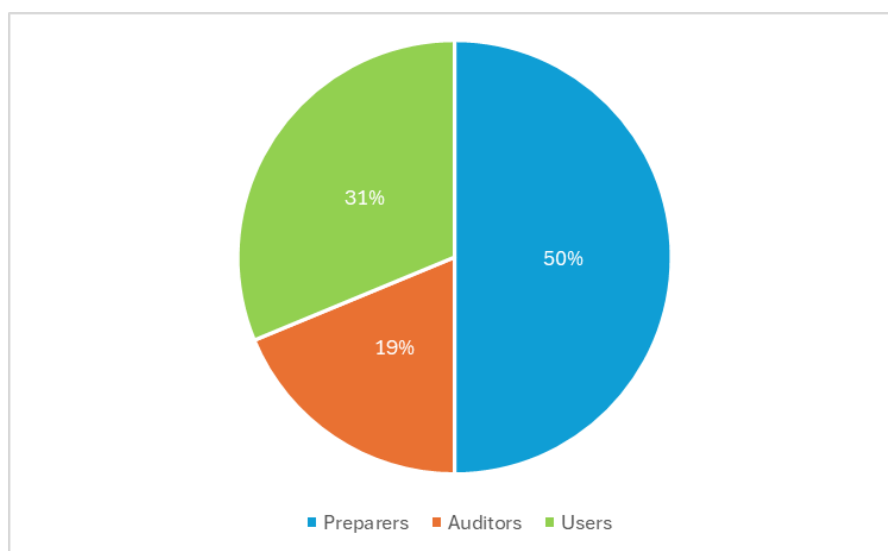
Objective

- 1 The objective of this session is to seek EFRAG FRB and SRB members' views on the updated content of EFRAG's Discussion Paper on Connectivity ('the DP').
- 2 The DP will comprise of:
 - (a) Executive Summary;
 - (b) Chapter 1 *Background* - this chapter addresses the objectives and scope of the DP.
 - (c) Chapter 2 *Conceptual foundations of the DP's illustrations of connectivity* – this chapter has been largely informed by the June 2024 EFRAG publication: *Connectivity Considerations and Boundaries of Different Annual Report sections*.
 - (d) Chapter 3 *Illustrations of connectivity* - covers 17 illustrations of various types of connectivity and respective anchor points of financial statements and sustainability reporting information. It is noted that the review is based on 2024 reports and Set 1 of ESRS requirements.
 - (e) Chapter 4 *Aggregated observations on connectivity of reported information* – this chapter provides aggregated observations on the application of connectivity of reported information in current reporting practices based on a review of over 70 annual reports, feedback from outreach to stakeholders, and a review of external publications.
 - (f) Chapter 5 *Considerations for enhancing the connectivity of reported information and related aspects* – this chapter builds on Chapters 3 and 4 and primarily provides considerations for enhancing the connectivity of information across different annual report sections and related aspects (e.g. further clarifying the borders/differentiating features of the financial statements). It is noted that because the ESRS requirements and guidance, including those that are connectivity-related, are under revision, this Chapter does not focus on providing any recommendations for reviewing sustainability reporting requirements. Thus, the chapter only provides considerations to stimulate further feedback from constituents on these aspects of possible enhancement to connectivity, which have surfaced during EFRAG's outreach.

Background and Introduction

- 3 The DP is a result of numerous discussions held over the last two to three years with the EFRAG Connectivity Advisory Panel (EFRAG CAP), the EFRAG FR and SR pillar technical governance bodies (TEGs and Boards), and EFRAG’s advisory working groups (EFRAG IAWG, EFRAG FIWG, EFRAG User Panel, EFRAG Academic Panel, and EFRAG CFSS). The EFRAG CAP has guided both the drafting of the DP and the selection of various illustrations of connectivity.
- 4 In addition, EFRAG has conducted outreach interviews with 16 stakeholders (see Figure 1 below) and, in April 2025, EFRAG hosted a webinar involving expert speakers of different functional backgrounds (see [multi-stakeholder webinar report](#)). Stakeholders’ feedback was also obtained during EFRAG representatives’ presentations¹ of the 2024 EFRAG Connectivity publication.

Figure 1: Functional backgrounds of interviewed stakeholders



- 5 In June 2025, EFRAG FRB had a discussion on the Chapters of the DP and members affirmed the need to finalise the project by issuing the DP on connectivity to be relevant and given the efforts done so far. Connectivity is relevant regardless of underlying reporting frameworks
- 6 The DP Chapters have been updated based on the June 2025 EFRAG FR TEG meeting and also following discussions at various subsequent meetings as follows: June 2025 EFRAG FR TEG meeting, two meetings with EFRAG CAP in July and September 2025, and a joint September 2025 EFRAG FR and SR TEG meeting.

Next steps in the finalisation of the DP

- 7 On 6 November 2025, there will be a joint EFRAG FR TEG and FRB session and the objective will be for EFRAG FR TEG to recommend the DP to EFRAG FRB for approval and for EFRAG FRB to approve it.
- 8 The DP is expected to be published in Q4 2025.

¹ 10 presentations of the EFRAG connectivity publication’s content were made (including to stakeholders in Norway, Sweden, Italy, IFASS, ESMA)

Agenda Papers

- 9 In addition to this cover note, agenda papers for this session are:
- (a) Agenda paper 02-02 – Executive summary, Chapter 1 and Chapter 2;
 - (b) Agenda paper 02-03 – Chapters 3 and 4;
 - (c) Agenda paper 02-03A – 17 Connectivity illustrations;
 - (d) Agenda paper 02-04 – Chapter 5; and
 - (e) Agenda paper 02-05 – Appendices.