

EFRAG Sustainability Reporting Board Consultation Survey 1

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EFRAG Sustainability Reporting Board Consultation Survey 1A - 1C, 2

Consultation survey structure

1. Overall European Sustainability Reporting Standards (ESRS) Exposure Drafts' relevance (Survey 1)

- 1A. Architecture
- 1B. Implementation of Corporate Sustainability Reporting Directive (CSRD) principles
- 1C. Exposure Drafts' content

2. European Sustainability Reporting Standards (ESRS) implementation prioritisation / phasing-in (Survey 1)

3. Adequacy of Disclosure Requirements (Survey 2)

- 3A. Cross cutting standards
- 3B Environmental standards
- 3C Social standards
- 3D Governance standards

Respondent Profile

1. Personal details

* Organisation name

50 character(s) maximum

ShareAction

* First name

50 character(s) maximum

Isabella

* Surname

50 character(s) maximum

Ritter

* Email (this information will not be published or made public)

50 character(s) maximum

isabella.ritter@shareaction.org

* Country of origin

50 character(s) maximum

Belgium

* 2. Type of respondent

- Academic / research institution
- Audit firm, assurance provider and/or accounting firm
- Business association
- Consumer organization
- ESG reporting initiative
- EU Citizen
- Financial institution (Bank)
- Financial institution (Other financial Market Participant, including pension funds and other asset managers)
- Financial institution (Insurance)
- National Standard Setter
- Non-governmental organisation
- Non-financial corporation with securities listed on EU regulated markets
- Non-financial corporation with securities listed outside EU regulated markets
- Public authority/regulator/supervisor
- Rating agency and analysts
- Trade unions or other workers representatives
- Unlisted non-financial corporations
- Other

* 3. Size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more employees)
- Not relevant

*** 4. User/Preparer perspective**

- User
- Preparer
- Both
- Neither

*** 5. Subject to CSRD**

Separate non-financial corps subject to CSRD from those not subject to CSRD?

- Yes
- No

EFRAG Sustainability Reporting Board Consultation Survey 1A - 1C, 2

1A. Overall ESRS Exposure Drafts' relevance – Architecture

Cross-cutting and topical standards

To facilitate a coherent coverage of the CSRD topics and reporting areas (as per Article 19a paragraph 2 and Article 19b paragraph 2 – see Appendix II) the Exposure Drafts (“EDs”) submitted for public consultation are based upon two categories of standards:

• **Cross-cutting ESRS** which:

1. Establish the general principles to be followed when preparing sustainability reporting in line with the CSRD provisions
2. Mandate Disclosure Requirements (“DRs”) aimed at providing an understanding of (a) strategy and business model, (b) governance and organisation, and (c) materiality assessment, covering all topics.

• **Topical ESRS** which, from a sector-agnostic perspective:

1. Provide topic-specific application guidance in relation to the cross-cutting DRs on strategy and business model, governance, materiality assessment
2. Mandate DRs about the undertaking’s implementation of its sustainability-related objectives (i.e. on its policies, targets, actions and action plans, and allocation of resources)
3. Mandate performance measurement metrics.

A full list of standards and whether they are cross-cutting standards or topical standards can be found in Appendix I.

Q1: in your opinion, to what extent do the structure and articulation of cross-cutting and topical standards adequately support the coverage of CSRD topics and reporting areas?

- Not at all

- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

On the whole, we support the structure and articulation of cross-cutting and topical standards. Nonetheless, it has to be highlighted that the cross-cutting requirements in ESRS 2 on their own do not provide comprehensive guidelines on due diligence. The ESRS should therefore provide clearer guidance explaining the interconnectivity of the cross-cutting requirements and the topical standards in the implementation and reporting on the undertaking's due diligence processes. By introducing more comprehensive guidance on the due diligence aspects, preparers should be enabled to orient themselves with regard to what due diligence is about, how it relates to the materiality assessment process, and how it relates to other disclosures.

Moreover, we recommend simplifying a number aspects of the ESRS structure by consolidating and centralising certain requirements and guidance that users will need to prepare the disclosures, which would also help to avoid repetitions.

Alignment and interoperability with international standards and frameworks

- Article 19b paragraph 3a of the CSRD requires that “When adopting delegated acts pursuant to paragraph 1, the Commission shall take account of the work of global standard-setting initiatives for sustainability reporting, and existing standards and frameworks for natural capital accounting, responsible business conduct, corporate social responsibility, and sustainable development.”
- ESRS EDs were drafted accordingly, with the objective of fostering as much alignment as possible considering the constraints imposed by other provisions included in articles 19a and 19b as per the CSRD proposal. Details of these provisions and how they are covered by the ESRS EDs can be found in Appendix I.
- The structure and organisation of the reporting areas was one aspect of alignment to which particular attention was paid. Thus, the two categories of standards are organised to cover the reporting areas in relation to governance, strategy, assessment/management of impacts, risks and opportunities, and targets/metrics (as considered by the Task Force on Climate-Related Financial Disclosures - TCFD and source of inspiration for the IFRS Sustainability standards). A detailed mapping of the ESRS EDs disclosure requirements with TCFD recommendations and with IFRS Sustainability Exposure Drafts can be found in Appendices 5 and 6.

Q2: in your opinion, to what extent is the TCFD framework of reporting areas (governance, strategy, risk management and metrics/targets) compatible with the structure of the ESRS?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully

- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

The TCFD and ESRS are compatible in structure, however, there are certain differences that pose challenges to the practical implementation, potentially leading to confusion, and inevitably causing unnecessary costs to preparers and users alike.

ESRS structure can be easily improved to better correspond with the TCFD (and ISSB) reporting areas in the following way:

ESRS 2 IRO-2 and 3 should be moved to the beginning of ESRS 2 SBM. In this way, the SBM section would fully correspond to the TCFD/ISSB “Strategy” reporting area.

ESRS 1 Section 3.2. “Reference principles for implementation of policies, targets, actions, action plans and resources” should be integrated into or directly follow ESRS 2 IRO. This would make the IRO section of the ESRS 2 aligned with the TCFD/ISSB “Risk management” as regards the presentation of the disclosure requirements (or principles) on policies and actions.

These changes would ensure near full correspondence between the reporting areas, whilst not undermining the unique features of the ESRS, in particular the double materiality approach and a combination of cross-cutting and topical standards and disclosures.

The only remaining difference would then concern the location of the disclosure principles on targets. This difference is justifiable due to the cross-cutting approach of the ESRS, nonetheless, it should not pose problems to its practical application.

Q3: in your opinion, to what extent does the approach taken to structure the reporting areas promote interoperability between the ESRS and the IFRS Sustainability Exposure Drafts?

- Not at all
 To a limited extent with strong reservations
 To a large extent with some reservations
 Fully
 No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

The comments above equally apply here and sum up the alignment well.

Consideration given to EU policies and legislation

Article 19b paragraph 3 of the CSRD also requires that “When adopting delegated acts pursuant to paragraph 1, the Commission shall take account of:

1. the information that financial market participants need to comply with their disclosure obligations laid down in Regulation (EU) 2019/2088 and the delegated acts adopted pursuant to that Regulation - **Sustainable Finance Disclosure Requirements**;
2. the criteria set out in the delegated acts adopted pursuant to Regulation (EU) 2020/852 - **Taxonomy Regulation**;
3. the disclosure requirements applicable to benchmarks administrators in the benchmark statement and in the benchmark methodology and the minimum standards for the construction of EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks in accordance with Commission Delegated Regulations (EU) 2020/1816*8, (EU) 2020/1817 and (EU) 2020/1818 - **Benchmark Regulation**;
4. the disclosures specified in the implementing acts adopted pursuant to Article 434a of Regulation (EU) No 575/2013; **Prudential requirements for Credit Institutions and Investment Firms**;
5. Commission Recommendation 2013/179/EU; **European Commission recommendation on the life cycle environmental performance of products and services**;
6. Directive 2003/87/EC of the European Parliament and of the Council; **GHG allowance Directive**;
7. Regulation (EC) No 1221/2009 of the European Parliament and of the Council; **EMAS regulation**.

Q4: in your opinion, have these European legislation and initiatives been considered properly?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Q5: are there any other European policies and legislation you would suggest should be considered more fully?

The upcoming EU Corporate Sustainability Due Diligence Directive will rely heavily on the EU sustainability standards to define specific disclosure requirements in relation to corporate value chains, as confirmed by the European Commission.

EFRAG will need to ensure the development of sufficiently relevant and appropriate standards covering:

A company's approach to due diligence, including related steps, as per the UN Guiding Principles on Business and Human Rights and relevant OECD Guidelines on Responsible Business Conduct;

Value chain transparency, which is critical for relevant insights into a company's exposure to risks and potential impacts. Value chain descriptions become particularly relevant when following a sector-specific approach.

Regulation (EU) 2020/852, through Minimum Safeguards (Art 13), explicitly requires adherence to the OECD Guidelines for Multinational Enterprises, which in turn explicitly requires tax compliance and consideration of tax matters as subject for the highest governance bodies in the organisation. Unlike for fair competition and corruption matters, where ESRS G2 requires detailed information, the standards are silent on information regarding tax.

Coverage of sustainability topics

Article 19b paragraph 2 of the CSRD proposal defines the sustainability subject matters (referred to as sustainability topics or subtopics in the ESRS) that the sustainability reporting standards shall address when defining the sustainability information required by article 19a paragraphs 1 and 2 of the CSRD.

The ESRS architecture was designed to cover all the detailed subject matters listed in article 19b paragraph 2 for environment-, social- and governance-related matters and to ensure that sustainability information is reported in a carefully articulated manner.

In terms of timing of adoption of European sustainability reporting standards, article 19b paragraph 1 of the CSRD requires the Commission to adopt:

- a first set of sustainability standards covering the information required by article 19a and at least specifying information needed by financial market participants subject to the [SFDR reporting obligations](#)
- a second set of standards covering information that is specific to the sector in which undertakings operate.

Also, article 19c of the CSRD proposal on sustainability reporting standards for SMEs requires the Commission to adopt SME-proportionate standards in a second set.

As a consequence, as per article 19b paragraph 1, are only included in this first set of ESRS Exposure Drafts:

1. the two cross-cutting standards on General principles (ESRS 1) and on General, strategy, governance and materiality assessment (ESRS 2);
2. the eleven topical (sector-agnostic) standards covering environment- (ESRS E1 to E5), social- (ESRS S1 to S4) and governance-related (ESRS G1 and G2) sustainability topics.

A detailed list of ESRS EDs can be found in Appendix I. And the detailed provisions of the CSRD and how they are covered by the ESRS EDs can be found in Appendix II.

Q6: in your opinion, to what extent does the proposed coverage of set 1 adequately address CSRD sustainability topics?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have.

Q7: in your opinion, to what extent does the proposed coverage of set 1 (see Appendix I) adequately address SFDR reporting obligations?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

If you think this coverage and its implementation could be improved in any way, please specify how and to what specific SFDR indicator your comment relates

While we deem that the ESRS draft standards cover quite adequately the information needed by the Financial Market Participants (FMPs) to consider the Principle Adverse Impacts (PAI) and prepare their corresponding disclosures quite adequately, there are a couple of specifications to be made.

Certain SFDR indicators are not quantitative indicators and thus cannot be matched to individual disclosure requirements in the ESRS.

The main issue is the current signposting of information that meets the needs of financial market participants under the SFDR; for each SFDR PAI, the ESRS indicate a specific set of disclosure requirements as meeting the information needs of investors. This is often not the case; in certain cases, financial market participants will find information by looking at different DRs within the same standard, or even by combining the information provided in different standards (e.g. lack of due diligence; such information cannot be assessed by looking at one DR alone as is currently signposted in the standards). As explained in the BfC of the social standards, the ESRS should clarify what investors should look at to find decision-useful information. The current ESRS mapping on SFDR indicators could include further details, clarifying such information (following the approach of social standards BfC).

In addition, there are a number of issues related to the SFDR principal adverse impact indicators.

Problematic examples include the request to report on the percentage of operations and suppliers at significant risk of incidents of child labour, or forced or compulsory labour. Focus on such an indicator alone promotes a tick-the-box exercise, which is likely to generate unintended consequences along the supply chain (such as abruptly interrupting relationships with existing suppliers, instead of leveraging the relationship to address issues; or such as focusing on quantitative data, without taking into account critical qualitative disclosures, that should accompany such data). The ESRS should provide clarity on what information financial market participants should look at in connection to PAI indicators, to ensure a more comprehensive picture of and better insight into a company's impacts and related management approach.

Additionally, indicators for mandatory PAI 10 (Violations of OECD MNE) and 11 (Lack of processes) are missing out on the topics of corruption, fair competition and taxation, which are explicitly mentioned compliance topics under OECD MNE Guidelines.

Sustainability statements and the links with other parts of corporate reporting

For clarity and ease of use, standardised sustainability reporting shall be easily identifiable within the management report (MR). To that effect, ESRS 1 – General principles (paragraphs 145 to 152) prescribes how to organise the information required by ESRS. It offers three options (paragraphs 148 and 149) for undertakings to consider when preparing their sustainability reporting:

- a single separately identifiable section of the MR;
- four separately identifiable parts of the MR:
 1. General information;
 2. Environment;
 3. Social;
 4. Governance
- one separately identifiable part per ESRS in the MR.

The first option is the preferred option. When applying the other two options the entity shall report a location table to identify where disclosures are presented in the MR.

In order to foster linkage throughout the undertaking's corporate reporting, ESRS 1 also:

- prescribes that the undertaking adopts presentation practices that promote cohesiveness between its sustainability reporting and: (a) the information provided in the other parts of the management report, (b) its financial statements (FS), and (c) other sustainability-related regulated information (paragraphs 131 to 134)
- promotes the incorporation of information by reference to other parts of the corporate reporting in order to avoid redundancy (paragraphs 135 and 136)
- organises connectivity with the financial statements by prescribing how to include monetary amounts or other quantitative data points directly presented in the financial statements (paragraphs 137 to 143).

Q8: Do you agree with the proposed three options?

- Yes

- No
- No opinion

Q9: would you recommend any other option(s)?

If so, please describe the proposed alternative option(s)

This question is no longer valid due to the specification added in the final version of the CSRD proposal.

Q10: in your opinion, to what extent do you believe that connectivity between the sustainability reporting and other parts of the management report has been appropriately addressed?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Q11: in your opinion, to what extent does the incorporation of information in the Sustainability section by reference to other parts of the management report support cohesiveness throughout corporate reporting?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Referencing to other parts of the management report should be allowed as long as it enables cohesiveness, and if the information in the section(s) referred to is of the same or higher level of quality, is meeting specific disclosure requirements and in line with the principles of the sustainability reporting (in terms of relevance, reliability, understandability and comparability).

Q12: in your opinion, to what extent do the requirements and provisions on how to include monetary amounts and other financial statement-related quantitative data into sustainability reporting support connectivity with the financial statements?

- Not at all
-

- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

1B. Overall ESRS Exposure Drafts relevance – Implementation of CSRD principles

Characteristics of information quality

Article 19a paragraph 2 of the CSRD proposal states that “the sustainability reporting standards referred to in paragraph 1 shall require that the information to be reported is understandable, relevant, representative, verifiable, comparable, and is represented in a faithful manner.”

As a consequence, ESRS 1 - *General principles* defines how such qualities of information shall be met:

- Relevance is defined in paragraphs 26 to 28
- Faithful representation is defined in paragraphs 29 to 32
- Comparability is defined in paragraphs 33 and 34
- Verifiability is defined in paragraphs 35 to 37
- Understandability is defined in paragraphs 38 to 41

Q13: to what extent do you think that the principle of relevance of sustainability information is adequately defined and prescribed?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Our reservations are linked to the fact that paragraph 28 of ESRS 1 is unclear, leading to the suggestion that a test of ‘decision-usefulness’ can overrule the test of materiality. Also, paragraph 28, talking about “stakeholders who are users” seems to directly contradict paragraph 45 “The materiality assessment process should ensure that impact on all affected stakeholders is considered and not only the needs of users.”

This has significant implications for the scope of data companies report. If decision-usefulness can overrule materiality, companies could justifiably exclude crucial impact data on the basis that it is not relevant. This

would result in more narrow disclosures that would fail to sufficiently implement the principle of double materiality.

The ESRS have been developed to ensure sector-agnostic relevance of disclosure requirements under given topics; a company should assess the materiality of an issue, and based on that, apply and report fully on all the disclosure requirements provided by the relevant topical standard. The ESRS should then clearly identify, within the standards, the individual and more granular disclosure requirements whose application should instead depend on materiality.

The information on material impacts, in particular those explicitly required by the ESRS, should be always reported regardless of an additional test of 'decision-usefulness'.

Q14: to what extent do you think that the principle of faithful representation of sustainability information is adequately defined and prescribed?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Paragraph 31 of ESRS 1 should further clarify that as a rule information on material impacts should not be netted. This principle is reflected throughout the individual ESRS, in particular regarding the disclosure requirements on performance measurement. No netting rule is explicitly provided in the ESRS E1 on climate, as well as in the international norms on due diligence, which are reflected in ESRS 2 and ESRS S2, S3 and S4.

Q15: to what extent do you think that the principle of comparability of sustainability information is adequately defined and prescribed?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Q16: to what extent do you think that the principle of verifiability of sustainability information is adequately defined and prescribed?

- Not at all

- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Q17: to what extent do you think that the principle of understandability of sustainability information is adequately defined and prescribed?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

In our view, paragraph 38 of ESRS 1 is not accurately formulated. Whilst ideally sustainability information should be concise, it also needs to be comprehensive, reflecting the complexity of the underlying matter. Therefore, paragraph 38 should be rather formulated along the following or similar lines: „Sustainability information is understandable when it is clear, adequately comprehensive, and concise, that is avoiding unnecessary disclosures.

Double materiality

Double materiality is a principle that is central to the CSRD proposal and is represented accordingly in the ESRS materiality assessment approach that sustains the definition of mandatory requirements by the cross-cutting and topical standards. This is also true of the materiality assessment any undertaking is expected to perform, per ESRS 2 – *General, strategy, governance and materiality assessment*, to identify its principal sustainability risks, impacts and opportunities. This in turn, defines what sustainability information must be reported by the undertaking.

Double materiality assessment supports the determination of whether information on a sustainability matter has to be included in the undertaking’s sustainability report. ESRS 1 paragraph 46 states that “a sustainability matter meets the criteria of double materiality if it is material from an impact perspective or from a financial perspective or from both.” Further indications as to how to implement double materiality is given by ESRS 2 Disclosure Requirement 2-IRO 1, paragraph 74b(iii) and AG 68.

While recognising that both perspectives are intertwined the Exposure Drafts contain provisions about how to implement the two perspectives in their own rights.

Q18: in your opinion, to what extent does the definition of double materiality (as per ESRS 1 paragraph 46) foster the identification of sustainability information that would meet the needs of all stakeholders?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Q19: to what extent do you think that the proposed implementation of double materiality (as per ESRS 2-IRO 1, paragraph 74b(iii) and AG 61) is practically feasible?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

In general, we are very supportive of the double materiality approach, and we believe it is practically feasible. Nonetheless, we believe that neither ESRS 2-IRO nor the application guidance provide enough clarity on how to actually perform the materiality assessment based on the principle of double materiality.

The ESRS should include guidance on the appropriate process to be followed. Companies should be guided to consider carefully the full array of sustainability issues that may be material from both impact materiality and financial materiality perspective. Companies should be explicitly guided to review all topics and sub-topics in the ESRS to stress-test their assumptions regarding potential material issues:

- The standards should provide more comprehensive cross-cutting guidance and more detailed disclosure requirements regarding the materiality determination process in ESRS 2, Disclosure requirement 2-IRO 1, and guide companies to take into account all sub-topics covered by the ESRS and guidance included therein. This includes ensuring that the application guidance for ESRS 2-IRO-1 is revisited and aligned with the UN Guiding Principles on Business and Human Rights and the GRI Universal Standards.
- While it makes sense to define cross-cutting requirements for a company's overall approach to and outcomes of materiality, the nature of thresholds and criteria for the definition of topical impacts and risks varies according to the issue at hand; these vary whether considering social matters, as opposed to climate or biodiversity, or other environmental matters. The ESRS should clarify that this is the case, and ensure that companies look at topical standards for indications on determining the materiality of a specific topic, including any applicable thresholds or criteria, and should also integrate findings from robust human rights and environmental due diligence to support this determination;

- Robust guidance for the determination of materiality at topical level should be provided as application guidance in each topical standard. This should be presented in relation to ESRS 2, and in particular the section 4 on “Disclosing on material sustainability impacts, risks and opportunities”.
- DR2 of ESRS 2-IRO should be revisited to:
 - o Ensure the inclusion of more granular disclosures on the process for the determination of materiality, following guidance provided by the UN Guiding Principles and OECD Guidelines;
 - o Merge DR2 and DR3 in section 4 (“Disclosing on material sustainability impacts, risks and opportunities”); both include mirroring disclosure requirements on outcomes of a company’s assessment of material impacts, risks and opportunities, with DR 2 focusing on sector-agnostic and sector-specific levels, and DR focusing on the entity-specific level. Such a separation is confusing and redundant.

The phrase „Impact, Risks and Opportunities“ is asymmetric in that it gives more detail to financial than impact materiality. As ‘risk’ in the standard financial theory covers both negative and positive outcomes, mentioning opportunities is redundant. We suggest to only speak of “impacts and risks”. In addition, while it is undoubtedly important that there are positive impacts and opportunities, these shouldn’t carry the same weight and risk distracting from a focus on risks and adverse impacts.

Impact materiality

- A definition of impact materiality is given by ESRS 1 paragraph 49: “a sustainability matter is material from an impact perspective if the undertaking is connected to actual or potential significant impacts on people or the environment over the short, medium or long term. This includes impacts directly caused or contributed to by the undertaking and impacts which are otherwise directly linked to the undertaking’s upstream and downstream value chain.”
- A description of how to determine impact materiality and implement impact materiality assessment can be found in ESRS 1 *paragraph 51* and is complemented by ESRS 2 *Disclosure Requirement 2-IRO 1*, paragraph 74b(iii), AG 64 and AG 68.

Q20: in your opinion, to what extent is the definition of impact materiality (as per ESRS 1 paragraph 49) aligned with that of international standards?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

The second sentence in the ESRS 1 paragraph 49 quoted above should be aligned with the international norms on due diligence, as well as with the text of paragraph 50. It should read “This includes impacts directly caused or contributed to by the undertaking and impacts which are directly linked to the undertaking”

s operations, products or services by a business relationship. Business relationships include the undertaking 's entire value chain." . Financing, i.e. the act of providing debt or equity capital, should be explicitly mentioned as an instance of 'directly linked', and accompanied with its own example under paragraph 50.

Q21: to what extent do you think that the determination and implementation of impact materiality (as proposed by ESRS 1 paragraph 51) is practically feasible?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

International norms on due diligence - the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprise - provide a clear and extensive guidance for the determination of material impacts. The application guidance for ESRS 2-IRO should consider the content of these norms much more than it currently does.

Financial materiality

- A definition of financial materiality is given by ESRS 1 paragraph 53: "a matter is material from a financial perspective if it triggers or may trigger significant financial effects on the undertaking, i.e., it generates risks or opportunities that influence or are likely to influence the future cash flows and therefore the enterprise value of the undertaking in the short, medium or long term, but it is not captured or not yet fully captured by financial reporting at the reporting date."
- A description of how to determine financial materiality and implement financial materiality assessment can be found in ESRS 1 paragraphs 54 to 56 and is complemented by ESRS 2 Disclosure Requirement 2-IRO 1, paragraph 74b(iii), AG 65 and AG 69.

Q22: in your opinion, to what extent is the definition of financial materiality (as per ESRS 1 paragraph 53) aligned with that of international standards?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

The definition of financial materiality as per ESRS 1 paragraph 53 is not fully aligned with that of international standards (we understand the reference here is made to the IFRS S1 and S2 being developed by the ISSB). However, we do not see it as a problem but actually to the contrary, we are very supportive of the double materiality approach as we deem the approach followed by the ISSB quite problematic, primarily due to

single/ financial materiality (outside-in) approach only, but also in terms of how ISSB defines financial materiality in the IFRS S1 and S2 exposure drafts focusing on “what is relevant for the primary users of general purpose financial reporting” meanwhile the range of users of sustainability-related information is wider than the “primary users of general purpose financial reporting”. Here we are not only talking about academia or civil society but also ESG experts within investors and financial institutions who would not necessarily be interested in hard-core financial reporting.

We do see a risk in redefining financial reporting materiality, as this could potentially be confusing. Financial materiality should not be gold-plated, as this runs the risk of pushing sustainability materiality to the side.

Q23: to what extent do you think that the determination and implementation of financial materiality (as proposed by ESRS 1 paragraphs 54 to 56) is practically feasible?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

It would be helpful to provide more guidance on the determination and implementation of the double materiality process, including on financial materiality in the context of sustainability reporting.

(Materiality) Rebuttable presumption

Central to the ESRS is the critical combination of two key elements:

- the mandatory nature of disclosure requirements prescribed by ESRS, and
- the pivotal importance of the assessment by the undertaking of its material impacts, risks and opportunities.

The combination of the two is designed to make sure that the entity will report on its material impacts, risks and opportunities, but on all of them.

The assessment of materiality applies not just to a given sustainability matter covered by a given ESRS (like ESRS E3 on biodiversity for example), but also to each one of the specific disclosure requirements included in that ESRS. However, this excludes the cross-cutting standards and related disclosure requirements, which are always material and must be reported in all cases.

When a sustainability matter is deemed material as a result of its materiality assessment, the undertaking must apply the requirements in ESRS related to these material matters (except for the few optional requirements identified as such in ESRS). Conversely, disclosure requirements in ESRS that relate to matters that are not material for the undertaking are not to be reported.

The (materiality) rebuttable presumption mechanism described in ESRS 1 paragraphs 57 to 62 aims at supporting the implementation and documentation of the materiality assessment of the undertaking at a granular level.

ESRS 1 paragraphs 58 to 62 describe how to implement the rebuttable presumption principles. In particular, “The undertaking shall therefore assess for each ESRS and, when relevant, for a group of disclosure requirements related to a specific aspect covered by an ESRS if the presumption is rebutted for:

1. all of the mandatory disclosures of an entire ESRS or
2. a group of DR related to a specific aspect covered by an ESRS,

Based on reasonable and supportable evidence, in which case it is deemed to be complied with through a statement that:

1. the ESRS or
2. the group of DR is “not material for the undertaking”.

Q24: to what extent do you think that the (materiality) rebuttable presumption and its proposed implementation will support relevant, accurate and efficient documentation of the results of the materiality assessment?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Materiality determination is the cornerstone of an effective and meaningful sustainability reporting process, guiding preparers and users to the ESG topics, issues and data which are relevant in order to understand the risks, opportunities and impacts of a company.

A materiality assessment process is not solely relevant to reporting but should be reflective of an understanding of impacts, risks and opportunities that are integrated into the entity’s strategy, risk management systems, policies, processes and plans. The materiality assessment process should support internal cross-departmental discussions, including at a senior level, that enable coherent action throughout the year. It is least effective when treated in a tick-the-box manner and seen as being of relevance solely to reporting and those in the company who deal with reporting.

However, the way in which the concept of ‘rebuttable presumption’ is used in the standards is likely to promote such a tick-the-box approach. It implies that companies should first look at the mandatory disclosures and determine whether they have a basis for judging any of them not to be material for the company.

The starting point should be the company’s own materiality assessment. The ESRS should include guidance on the appropriate process to be followed. Companies should be guided to consider carefully the full array of sustainability issues that may be material from both an impact materiality and financial materiality perspective. Companies should be explicitly guided to review all topics and sub-topics in the ESRS to stress-test their assumptions regarding potential material issues.

It is only after this assessment process has been conducted that the company might then have the evidence base to determine whether any of the mandatory ESRS are not in fact material in light of its own circumstances. The concept of a rebuttable presumption might be used but is not necessary for explaining that where the materiality process demonstrates a mandatory standard not to be material for the company, it should then make a statement to that effect. Where that conclusion relates to an entire sub-topic or sub-sub-topic, the standards should seek a brief explanation of that conclusion.

While it is right that the standards recognize that some topics – at the level of e.g. pollution or consumers /end-users – might be assessed by certain companies not to be material given their specific circumstances, this should in principle never be the case for the topics of climate change or the company’s own workforce. The standards should make clear that these topics cannot reasonably be deemed immaterial by reporting entities.

For the above reasons, EFRAG should implement the following changes to the proposed rules for materiality determination and rebuttable presumption.

The ESRS should specify which sub-topics cannot be deemed immaterial by reporting entities regardless of their sector, including at a minimum climate change and the company’s own workforce.

The future sector-specific ESRS should then specify additional sub-topics which cannot be deemed immaterial by reporting entities in relevant sectors.

The ESRS should provide more comprehensive cross-cutting guidance and more detailed disclosure requirements regarding the materiality determination process in ESRS 2 (Disclosure requirement 2-IRO 1) and guide companies to take into account all sub-topics covered by the ESRS and guidance included therein

Where the materiality determination process demonstrates that the entire sub-topic is not material for the undertaking, the standards should seek an explanation for that conclusion.

Where the conclusion is that the sub-topic is material, the undertaking should apply the corresponding ESRS in full; the topical ESRS should clearly identify any individual and more granular disclosure requirements whose application should depend on materiality considerations. In this regard, topical standards should provide clear guidance, criteria and - where relevant and feasible - thresholds.

Q25: what would you say are the advantages of the (materiality) rebuttable presumption and its proposed implementation?

Q26: what would you say are the disadvantages of the (materiality) rebuttable presumption and its proposed implementation?

Q27: how would you suggest it can be improved?

Reporting boundary and value chain

ESRS 1 paragraphs 63 to 65 define the reporting boundary of the undertaking and how and when it is expanded when relevant for the identification and assessment of principal impacts, risks and opportunities upstream and downstream its value chain – as the financial and/or impact materiality of a sustainability matter is not constrained to matters that are within the control of the undertaking.

Paragraphs 67 and 68 address the situation when collecting the information about the upstream and downstream value chain may be impracticable, i.e. the undertaking cannot collect the necessary information after making every reasonable effort, and allows approximation based on the use of all reasonable and supportable information, including peer group or sector data.

Due to the dynamics and causal connections between levels within the undertaking's reporting boundary, material information is not constrained to one particular level. Paragraphs 72 to 77 prescribe how the undertaking shall consider the appropriate level of disaggregation of information to ensure it represents the undertaking's principal impacts, risks and opportunities in a relevant and faithful manner.

Q28: in your opinion, to what extent would approximation of information on the value chain that cannot (practically) be collected contribute to the reporting of understandable, relevant, verifiable, comparable, and faithfully represented sustainability information?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

ESRS 1 paragraphs 63 to 65 establish an important and correct principle that the lack of hard data concerning the value chain does not relieve the undertaking from the disclosure obligations specified in the ESRSs.

However, there is an important difference to note: approximation of value chain-related data, whose collection is challenging, such as the calculation (environmental) impact indicators, e.g. Scope 3 on the one hand; and the identification and assessment of actual and potential impacts along the value chain on the other as a form of risk assessment. It would be inappropriate to consider the identification of actual and potential impacts from a data approximation perspective. Such an assessment should instead be driven by relevant due diligence guidance, namely the UN Guiding Principles on Business and Human Rights, and relevant OECD Guidelines.

ESRS 1 should provide clearer guidance as to the application of approximation in relation to these two different types of disclosures. The ESRS disclosures in both areas have been developed based on

awareness that full and reliable data from the value chain may be lacking, providing appropriate methodologies on how to overcome this problem. This section of ESRS 1 (paragraph 69) should state more explicitly that the lack of data does not waive companies from their disclosure obligations linked to the value chain.

Q29: what other alternative to approximation would you recommend in cases where collecting information is impracticable?

Q30: in your opinion, to what extent will the choice of disaggregation level by the undertaking as per ESRS 1 paragraphs 72 to 77 contribute to the reporting of understandable, relevant, verifiable, comparable and faithfully represented sustainability information?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Individual disclosures requirements in topical ESRS should clearly specify the required level of (dis) aggregation, as envisaged in paragraph 77.

Time horizon

ESRS 1 paragraph 83 defines short-, medium- and long-term for reporting purposes, as

- One year for short term
- Two to five years for medium term
- More than five years for long-term.

Q31: do you think it is relevant to define short-, medium- and long-term horizon for sustainability reporting purposes?

- Yes
- No
- I do not know

Please explain why

Ensuring agreement on timeframes is critical to ensure a) relevant insight into a company's sustainability efforts and plans and b) comparability and a level-playing field for companies when it comes to reporting. This is particularly relevant, for example, in the case of transition plans; with agreed timeframes, interested stakeholders can compare companies' forward-looking plans in a decision-useful manner.

Q32: if yes, do you agree with the proposed time horizons?

- Yes
- No
- I do not know

Please explain why

Yes, as far as the topical standards specify the time horizons for individual material matters where necessary, as is the case for certain climate change-related disclosures in the ESRS E1. ESRS 1 should clearly explain that the undertakings should consult the topical standards to this end, when providing an assessment of their impacts, risks and opportunities in accordance with ESRS 2.

Q33: if you disagree with the proposed time horizons, what other suggestion would you make? And why?

Disclosure principles for implementation of Policies, targets, action and action plans, and resources

In order to harmonise disclosures prescribed by topical standards, ESRS 1 provides disclosure principles (DP) to specify, from a generic perspective, the key aspects to disclose:

1. when the undertaking is required to describe policies, targets, actions and action plans, and resources in relation to sustainability matters and
2. when the undertaking decides to describe policies, targets, actions and action plans, and resources in relation to entity-specific sustainability matters.

DP 1-1 on policies adopted to manage material sustainability matters describes (paragraphs 96 to 98) the aspects that are to be reported for the relevant policies related to sustainability matters identified as material following the materiality assessment performed by the undertaking.

DP 1-2 on targets, progress and tracking effectiveness defines (paragraphs 99 to 102) how the undertaking is to report measurable outcome-oriented targets set to meet the objectives of policies, progress against these targets and if non-measurable outcome-oriented targets have been set, how effectiveness is monitored.

DP 1-3 on actions, action plans and resources in relation to policies and targets defines (paragraphs 103 to 106) the aspects that are to be reported by the undertaking relating to actions, action plans and resources in relation to policies and targets adopted to address material impacts, risks and opportunities.

Q34: in your opinion, to what extent will DP 1-1 contribute to the reporting of understandable, relevant, verifiable, comparable and faithfully represented information on sustainability related policies?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

We do believe that DP 1-1 will contribute to quality information on sustainability-related policies, but we recommend strengthening the wording in paragraph 98. In this sense, we would like to see that it is mandatory for companies to indicate the timeframe in which they intend such policies.

Besides, we urge to clarify certain aspects of the sustainability-related policies. In particular, DP 1-1 should go more into detail, by requiring companies to articulate the dependencies of their policies on external factors, i.e. regulation and policy, on competitor behaviour, on future technologies. Such a clarification would allow companies to assess the credibility and probability of their sustainability-related policies.

Q35: in your opinion, to what extent will DP 1-2 contribute to the reporting of understandable, relevant, verifiable, comparable, and faithfully represented information on sustainability-related targets and their monitoring?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

By reporting on DP1-2, companies will provide a good overview of targets. However, a couple of clarifications are needed, to ensure the full effectiveness of the principle:

Para 100 (d) requires companies to report on “if applicable, the baseline value and base year from which progress is measured”. The ESRS should require companies to provide explanation, when this is not applicable.

Where applicable, the ESRS should require companies to report on the engagement and involvement of stakeholders in setting the targets. As indicated in ESRS 1 itself, outcome-oriented targets should be set in terms of expected results for people and the environment. Information on the engagement of affected stakeholders or their representatives can provide insight into the relevance of a given target. This specification may be provided in the individual topical ESRS covering matters in which such stakeholder engagement is relevant.

In reference to par. 100 (f) rationale for choosing that methodology, especially when adopting less-common approaches.

Q36: in your opinion, to what extent will DP 1-3 contribute to the reporting of understandable, relevant, verifiable, comparable, and faithfully represented information on sustainability-related action plans and allocated resources?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

We support this disclosure requirement but would like to see included a number of clarifications:

In reference to par. 105: it is critical that companies display where they will take the necessary resources to finance their plans, in order to attest the feasibility and credibility of their sustainability-related plans. We suggest that this should not only happen in the case if the plan requires significant operational expenses.

The wording in paragraph 106 should be strengthened to ensure there is clarity on whether, and if so when, the reporting entity would adopt any action plans or stand-alone actions in relation to policies and targets as outlined in paragraph 103. This would ensure consistency with the wording paragraph 101 relating to targets.

Bases for preparation

Chapter 4 of ESRS 1 provides for principles to be applied when preparing and presenting sustainability information covering general situations and specific circumstances. Aspects covered include:

- general presentation principles (paragraphs 108 and 109);
- presenting comparative information (paragraphs 110 and 111);
- estimating under conditions of uncertainty (paragraphs 112 and 113);
- updating disclosures about events after the end of the reporting period (paragraphs 114 to 116);
- changes in preparing or presenting sustainability information (paragraphs 117 and 118);
- reporting errors in prior periods (paragraphs 119 to 124);
- adverse impacts and financial risks (paragraphs 125 and 126);
- optional disclosures (paragraph 127);
- consolidated reporting and subsidiary exemption (paragraphs 128 and 129);
- stating relationship and compatibility with other sustainability reporting frameworks (paragraph 130).

Q37: is anything important missing in the aspects covered by the bases for preparation?

- Yes
- No
- I do not know

If yes, please indicate which one(s).

Please share any comment you might have on the aspects already covered (make sure to indicate which one you are referring to)

Para 112 and 113 - Estimating under conditions of uncertainty: As highlighted in response to question 28, there is an important difference to note: the estimation of data whose collection is challenging, such as the calculation (environmental) impact indicators and value chain-related data, e.g. Scope 3 on the one hand; and the identification and assessment of actual and potential impacts along the value chain on the other. The calculation of impact indicators differs from the identification and assessment of actual and potential impacts along a company's value chain; as a form of risk assessment, it would be inappropriate to consider the identification of actual and potential impacts from a data approximation/estimation perspective. Such an assessment should instead be driven by relevant due diligence guidance, namely the UN Guiding Principles on Business and Human Rights, and relevant OECD Guidelines. ESRS 1 should provide clearer guidance as to the application of approximation/estimation in relation to these two different types of disclosures.

Para 128 and 129 - Consolidated reporting and subsidiary exemption: This section should clarify that the thresholds for determination of impact materiality should be the same as if each individual subsidiary which meets the criteria of a large undertaking would report on its own behalf. Consolidation should not lead to the omission of such material information.

Furthermore, ESRS 1 should specify that the information required by ESRS should provide necessary details to understand the impacts, risks, opportunities of each subsidiary which meets the criteria of a large undertaking, and thus would be obliged to report on its own if it didn't use the exemption.

1C. Overall ESRS Exposure Drafts relevance – Exposure Drafts content

For the purpose of the questions included in this section, respondents are encouraged to consider the following:

- when sharing comments on a given ESRS Exposure Draft, and as much as possible, reference to the specific paragraphs being commented on should be included in the written comments,
- in the questions asked, for each ESRS, about the alignment with international sustainability standards, these include but are not limited to the IFRS Sustainability Standards and the Global Reporting Initiative Standards. Other relevant international initiatives may be considered by the respondents. When commenting on this particular question, respondents are encouraged to specify which international standards are being referred to.

ESRS 1 – General Principles

This [draft] Standard prescribes the mandatory concepts and principles to apply for preparation of sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD) proposal. It covers the applicable general principles:

1. when reporting under European Sustainability Reporting Standards;
2. on how to apply CSRD concepts;
3. when disclosing policies, targets, actions and action plans, and resources;

4. when preparing and presenting sustainability information;
5. on how sustainability reporting is linked to other parts of corporate reporting; and
6. specifying the structure of the sustainability statements building upon the disclosure requirements of all ESRS.

Most questions relevant for ESRS 1 are covered in the previous sections of the survey (section 1 Overall ESRS Exposure Drafts relevance – architecture and section 2 Overall ESRS Exposure Drafts relevance – implementation of CSRD principles).

Q38: in your opinion, to what extent can ESRS 1 – *General principles* foster alignment with international sustainability reporting standards (in particular IFRS Sustainability Reporting S1 Exposure draft)?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

IFRS draft standards does not include a specific category for “Implementation disclosures”, which would correspond to ESRS 1 Section 3. It would be helpful if ESRS 1 explains to what elements of the IFRS draft standards (or TCFD) these disclosures correspond.

ESRS 2 – General, strategy, governance and materiality assessment

This [draft] standard sets out the disclosure requirements of the undertaking’s sustainability report that are of a cross-cutting nature. Those disclosures can be grouped into those that are:

1. of a general nature;
2. on the strategy and business model of the undertaking;
3. on its governance in relation to sustainability; and
4. on its materiality assessment of sustainability impacts, risks and opportunities.

Q39: Please, rate to what extent do you think ESRS 2 – General, strategy, governance and materiality assessment

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS 2 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

Please share any comments and suggestions for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment

I and J: ESRS 2-ROI, in particular the application guidance, should better utilise the content of the UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises and the OECD Guidance on Responsible Business Conduct, and the GRI Universal standards. These international norms provide the basis for the draft Corporate Sustainability Due Diligence Directive.

D. Impact materiality determination in ESRS 2-ROI requires further specification to ensure good implementation by companies. See answers to Questions 19 and 20 for details.

ESRS E1 – Climate change

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of sustainability reporting to understand:

1. how the undertaking affects climate change, in terms of positive and negative material actual or potential adverse impact;

2. its past, current, and future mitigation efforts in line with the Paris Agreement (or an updated international agreement on climate change) and limiting global warming to 1.5°C;
3. the plans and capacity of the undertaking to adapt its business model(s) and operations in line with the transition to a sustainable economy and to contribute to limiting global warming to 1.5°C;
4. any other actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;
5. the nature, type and extent of the undertaking's material risks and opportunities related to the undertaking's impacts and dependencies on climate change, and how the undertaking manages them; and
6. the effects of risks and opportunities, related to the undertaking's impacts and dependencies on climate change, on the undertaking's development, performance and position over the short-, medium- and long- term and therefore on its ability to create enterprise value .

This [draft] standard derives from the [Draft] Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify which information to disclose about climate change mitigation and climate change adaptation.

This [draft] standard covers Disclosure Requirements related to 'Climate change mitigation', 'Climate change adaptation' and 'Energy'.

Q40: Please, rate to what extent do you think ESRS E1 – Climate change

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS E1 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

Please share any comments and suggestions for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment

Clear requirements for climate transition plans (ESRS E1 DR 1) will provide clarity to companies, which will in turn help them improve their plans and disclosures and avoid misallocation of resources. Besides, comprehensive sustainability information about climate matters will limit the current widespread greenwashing, and thus provide considerable benefits to investors who integrate ESG considerations into their strategies. The lack of reliable information on climate transition plans, including targets and performance measurement KPIs, undermines the ability of the European market to properly allocate the resources and achieve net-zero emissions, which would have significant societal and economic costs in the long-term. In fact, investors and other finance providers need such disclosures to make informed investment and financing decisions and prepare their own climate-related disclosures and appropriately assess the physical and transition risks connected with exposures to such companies.

The performance measurement disclosure requirements, in particular those concerning energy and GHG emissions, focus on data which companies have in their possession or can easily acquire or estimate (in case of GHG Scope 3) with little expenditures and efforts. This data corresponds to the needs and expectations of other legislation as well as investors.

As 1.5C pathways improve and change across industries, the standard should update to the most ambitious ones.

ESRS E2 – Pollution

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of the sustainability reporting to understand:

1. how the undertaking affects pollution of air (both indoor and outdoor), water (including groundwater) and soil, living organisms and food resources (referred to in this [draft] Standard as “pollution”), in terms of positive and negative material actual or potential adverse impacts;
2. any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;
3. the plans and capacity of the undertaking to adapt its strategy, business model(s) and operations in line with the transition to a sustainable economy concurring with the needs for prevention, control

and elimination of pollution across air (both indoor and outdoor), water (including groundwater), soil, living organisms and food resources, thereby creating a toxic-free environment with zero pollution also in support of the EU Action Plan ‘Towards a Zero Pollution for Air, Water and Soil’;

4. the nature, type and extent of the undertaking’s material risks and opportunities related to the undertaking’s impacts and dependencies arising from pollution, as well as from the prevention, control, elimination or reduction of pollution (including from regulations) and how the undertaking manages them; and
5. the effects of risks and opportunities, related to the undertaking’s impacts and dependencies on pollution, on the undertaking’s development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value.

This standard derives from the (Draft) Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify the information that undertakings are to disclose about environmental factors, including information about ‘pollution’.

This standard sets out Disclosure Requirements related to pollution of air (both indoor and outdoor), water (including groundwater), soil, substances of concerns, most harmful substances and enabling activities in support of prevention, control and elimination of pollution.

Q41: Please, rate to what extent do you think ESRS E2 - Pollution

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS E2 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

Please share any comments and suggestions for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment

ESRS E3 – Water and marine resources

The objective of this [draft] standard is to specify disclosure requirements which will enable users of the sustainability reporting to understand:

1. how the undertaking affects water and marine resources, in terms of positive and negative material actual or potential adverse impacts;
2. any actions taken, and the result of such actions, to protect water and marine resources, also with reference to reduction of water withdrawals, water consumption, water use, water discharges in water bodies and in the oceans, habitat degradation and the intensity of pressure on marine resources;
3. to what extent the undertaking is contributing to the European Green Deal’s ambitions for fresh air, clean water, a healthy soil and biodiversity as well as to ensuring the sustainability of the blue economy and fisheries sectors, to the EU water framework directive, to the EU marine strategy framework, to the EU maritime spatial planning directive, the SDGs 6 Clean water and sanitation and 14 Life below water, and respect of global environmental limits (e.g. the biosphere integrity, ocean acidification, freshwater use, and biogeochemical flows planetary boundaries) in line with the vision for 2050 of ‘living well within the ecological limits of our planet’ set out in in the 7th Environmental Action Programme, and in the proposal for a decision of the European Parliament and the Council on the 8th Environmental Action Programme;
4. the plans and capacity of the undertaking to adapt its business model and operations in line with the transition to a sustainable economy as well as with the preservation and restoration of water and marine resources globally;
5. the nature, type and extent of the undertaking’s material risks and opportunities related to the undertaking’s impacts and dependencies on water and marine resources, and how the undertaking manages them; and
6. the effects of risks and opportunities, related to the undertaking’s impacts and dependencies on water and marine resources, on the undertaking’s development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value.

This standard derives from the [Draft Corporate Sustainability Reporting Directive] stating that the sustainability reporting standards shall specify information to disclose about two sub-subtopics: ‘water’ and ‘marine resources’.

Q42: Please, rate to what extent do you think ESRS E3 – Water and marine resources

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS E3 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

Please share any comments and suggestions for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment

ESRS E4 – Biodiversity and ecosystems

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of sustainability reporting to understand:

1. how the undertaking affects biodiversity and ecosystems, in terms of positive and negative material actual or potential adverse impacts;
2. any actions taken, and the result of such actions, to prevent, mitigate or remediate, actual or potential adverse impacts and to protect and restore biodiversity and ecosystems;
3. to what extent the undertaking contributes to (i) the European Green Deal's ambitions for protecting the biodiversity and ecosystems, the EU Biodiversity Strategy for 2030, the SDGs 2 Zero Hunger, 6 Clean water and sanitation, 12 Responsible consumption, 14 Life below water and 15 Life on land, the Post-2020 Global Biodiversity Framework and (ii) the respect of global environmental limits (e.g. the biosphere integrity and land-system change planetary boundaries);
4. and the plans and capacity of the undertaking to adapt its business model and operations in line with the transition to a sustainable economy and with the preservation and restoration of biodiversity and ecosystems globally in general; and in particular in line with the objective of (i) ensuring that by 2050 all of the world's ecosystems and their services are restored to a good ecological condition, resilient, and adequately protected and (ii) contributing to achieving the objectives of the EU Biodiversity Strategy at latest by 2030;
5. the nature, type and extent of the undertaking's material risks and opportunities related to the undertaking's impacts and dependencies on biodiversity and ecosystems, and how the undertaking manages them;
6. the effects of risks and opportunities, related to the undertaking's impacts and dependencies on biodiversity and ecosystems, on the undertaking's development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value.

This standard derives from the [Draft Corporate Sustainability Reporting Directive] stating that the sustainability reporting standards shall specify information to disclose about 'biodiversity and ecosystems'. This standard sets out Disclosure Requirements related to the undertaking's relationship to terrestrial, freshwater and marine habitats, ecosystems and populations of related fauna and flora species, including diversity within species, between species and of ecosystems and their interrelation with many indigenous and local communities.

Q43: Please, rate to what extent do you think ESRS E4 – Biodiversity and ecosystems

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS E4 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

Please share any comments and suggestions for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment

The biodiversity topic should be a priority in the context of the development of sector specific ESRS.

Moreover, there are several issues we strongly believe must be included in the draft standards to push these entities toward comprehensively assessing, quantifying, and acting on their most significant biodiversity impacts and dependencies. Crucially, these entities must be held to account for establishing short-term, medium-term, and long-term goals. Establishing targets for these time frames is essential for preventing delays in action plans and making progress on biodiversity so that any short-term impacts of climate change can be mitigated by robust and resilient ecosystems. Relatedly, it is essential that climate change be linked to biodiversity loss, and that companies and financial institutions consider the risks climate change poses to biodiversity in any risk assessments. It is also important that undertakings assess and disclose their efforts to address the social impacts of their biodiversity impacts and dependencies and their plans to navigate and minimise these issues. Any biodiversity strategy must essentially include restoration, as degraded ecosystems must be regenerated in order to restore their ecosystem services and defend against the

impacts of climate change. Companies must be expected to report their efforts to avoid, mitigate and restore their biodiversity impacts, to ensure that any restorative measures sufficiently consider the welfare of local communities and indigenous people such as through acquiring free prior and informed consent, and that these measures do not incur other negative externalities.

ESRS E5 – Resource use and circular economy

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of the sustainability reporting to understand:

1. the impact of the undertaking on resource use considering the depletion of non-renewable resources and the regeneration of renewable resources and its past, current and future measures to decouple its growth from extraction of natural resources;
2. the nature, type and extent of risks and opportunities arising from the resource use and the transition to a circular economy including potential negative externalities;
3. the effects of circular economy-related risks and opportunities on the undertaking's development, performance and position over the short-, medium- and long-term and therefore on its ability to create enterprise value in;
4. the plans and capacity of the undertaking to adapt its business model and operations in line with circular economy principles including the elimination of waste, the circulation of products and materials at their highest value, and the nature's regeneration.

This [draft] standard derives from the [Draft] Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify information to disclose about 'resource use and circular economy'.

Q44: Please, rate to what extent do you think ESRS E5 – Resource use and circular economy

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS E5 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

Please share any comments and suggestions for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment

ESRS S1 – Own workforce

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of the sustainability reporting to understand:

1. how they affect the undertaking affects own workforce, in terms of positive and negative material impacts;
2. any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;
3. the nature, type and extent of the undertaking’s material risks and opportunities related to its impacts and dependencies on own workforce, and how the undertaking manages them and,
4. the effects of risks and opportunities, related to the undertaking’s impacts and dependencies on own workforce, on the undertaking’s development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value.

In order to meet the objective, this [draft] Standard also requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on its own workforce in relation to:

1. working conditions (impacts related to e.g. living wage, health and safety, social security, working hours, water and sanitation);

2. access to equal opportunities (impacts related to e.g. discrimination, including on the rights of workers with disabilities or on women workers, as well as impacts related to issues of equality in pay and work-life balance, precarious work);
3. other work-related rights, (impacts related to e.g. trade union rights, freedom of association and collective bargaining, child labour, forced labour, privacy, adequate housing).

This draft standard derives from the [Draft] Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify the information that undertakings are to disclose regarding social factors.

This [draft] Standard covers an undertaking’s “own workforce”, which is understood to include both workers who are in an employment relationship with the undertaking (“employees”) and non-employee workers who are either individuals with contracts with the undertaking to supply labour (‘self-employed workers’) or workers provided by undertakings primarily engaged in ‘employment activities’ (NACE Code N78). This [draft] Standard does not cover (i) workers in the upstream or downstream undertaking’s value chain for whom neither work nor workplace are controlled by the undertaking; or (ii) workers whose work and/or workplace is controlled by the undertaking but are neither employees, nor individual contractors (“self-employed workers”), nor workers provided by undertakings primarily engaged in “employment activities” (NACE Code N78); these categories of workers are covered in ESRS S2 Workers in the Value Chain.

Q45: Please, rate to what extent do you think ESRS S1 – *Own workforce*

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS S1 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

Please share any comments and suggestions for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment

There are some omissions in relation to important data within the standard, including on the contingent workforce, ethnicity, mental health, training and development, and family leave policies. Specific suggestions on the content that should be included are addressed in section 3.

There is also a risk that the standards as currently formulated exclude certain workers. This is particularly the case with regards to ethnicity and the contingent workforce, where key disclosures are missing for these groups. While this may be a result of the challenges in collecting data on these workers (e.g., legal restrictions in relation to ethnicity and logistical issues collecting data on contingent workers), these groups are already often overlooked, excluded and/or prejudiced in their experiences at work. Failing to collect adequate data here may therefore exacerbate these inequities.

Moreover, it has to be noted that there is a lack of clarity regarding some key terms in the social sphere as well as some inconsistencies when it comes to the structure of the draft social standards, for instance on 'fair wages' and 'social security'. In particular, it is worth highlighting that certain workers are not considered in the social disclosure requirements, potentially exacerbating existing inequities.

Another area that could be improved structurally is the fact that for some disclosure requirements, lots of areas are collapsed into a single disclosure requirement. This can make disclosures bloated and make it difficult to parse out relevant data.

ESRS S2 – Workers in the value chain

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of the sustainability reporting to understand:

1. how the undertaking affects workers in its value chain through its own operations and its upstream and downstream value chain (including its products and services, its business relationships and its supply chain), in terms of material positive and negative actual or potential adverse impacts;
2. any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;
3. the nature, type and extent of the undertaking's material risks and opportunities related to its impacts and dependencies on workers in the value chain, and how the undertaking manages them; and

- the effects of risks and opportunities, related to the undertaking's impacts and dependencies on workers in the value chain, on the undertaking's development, performance and position over the short-, medium- and long-term and therefore on its ability to create enterprise value.

In order to meet the objective, the [draft] standard requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on value chain workers in relation to impacts on those workers':

- working conditions (impacts related to e.g. living wage, health and safety, social security, working hours, water and sanitation);
- access to equal opportunities (impacts related to e.g. discrimination, including on the rights of workers with disabilities or on women workers, as well as impacts related to issues of equality in pay and work-life balance, precarious work);
- other work-related rights, (impacts related to e.g. trade union rights, freedom of association and collective bargaining, child labour, forced labour, privacy, adequate housing).

This draft standard derives from the [Draft] Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify the information that undertakings are to disclose regarding social factors.

This [draft] standard covers all workers in the undertaking's upstream and downstream value chain who are or can be materially impacted. This also includes all non-employee workers whose work and/or workplace is controlled by the undertaking but are not included in the scope of "own workforce" ("own workforce" includes: employees, individual contractors, i.e., self-employed workers, and workers provided by third party undertakings primarily engaged in 'employment activities'). Own workforce is covered in ESRS S1 Own workforce.

Q46: Please, rate to what extent do you think ESRS S2 – Workers in the value chain

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS S2 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

Please share any comments and suggestions for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment

It would be good to see a more specific breakdown of the different aspects of supply chain workforce issues. In the current standard, there isn't as much specific focus on supply chain transparency and responsible sourcing practices. The way businesses understand their supply chains and engage with other actors in them are key determinants of the quality of conditions for value chain workers. Without explicitly asking for this information, in many cases it is unlikely it will be disclosed and so investors will miss key data.

It would have been good to see greater levels of granularity in the standard. It is understandable why this approach has been taken - company reporting on supply chains is, in general, significantly less advanced than on their own workforce, often due to their much opaquer nature and the challenges on gathering concrete data on workers here.

A specific gap is the lack of inclusion of efforts for companies to ensure living wages are paid throughout their supply chain. Given that workers in the supply chain are much more at risk of poor working conditions and rights violations, including low or illegal pay, this is a vital area that should be covered in the standards.

However, because reporting is less advanced here, it's even more important that disclosure requirements provide a clear framework for action on these issues. Similarly, the higher-level approach impacts comparability. When asking companies what action they have taken on material impacts, this can vary significantly based on the issue at hand. More granular disclosure requirements on specific topics that can emerge as impacts (for instance, modern slavery or collective bargaining) would enable investors to more easily compare which companies are taking effective action on these issues.

Another area that could be improved structurally is the fact that for some disclosure requirements, lots of areas are collapsed into a single disclosure requirement. This can make disclosures bloated and make it difficult to parse out relevant data.

ESRS S3 – Affected communities

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of the sustainability reporting to understand:

1. how the undertaking affects its local communities through its own operations and its upstream and downstream value chain (including its products and services, its business relationships and its supply chain), in terms of material positive and negative actual or potential adverse impacts;
2. any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;
3. the nature, type and extent of the undertaking’s material risks and opportunities related to the undertaking’s impacts and dependencies on affected communities, and how the undertaking manages them; and
4. the effects of risks and opportunities, related to their impacts and dependencies on local communities, on the undertaking’s development, performance and position over the short-, medium- and long-term and therefore on its ability to create enterprise value.

In order to meet the objective, the [Draft] standard requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on affected communities in relation to:

1. impacts on communities’ economic, social and cultural rights (e.g. adequate housing, adequate food, water and sanitation, land-related and security-related impacts);
2. impacts on communities’ civil and political rights (e.g. freedom of expression, freedom of assembly, impacts on human rights defenders); and
3. impacts on particular rights of Indigenous communities (e.g. free, prior and informed consent, self-determination, cultural rights).

This draft standard derives from the [Draft] Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify the information that undertakings are to disclose regarding social factors.

Q47: Please, rate to what extent do you think ESRS S3 – Affected communities

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS S3 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

Please share any comments and suggestions for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment

ESRS S4 – Consumers and end-users

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of the sustainability reporting to understand:

1. how the undertaking affects the consumers and end-users of its products and/or services (referred to in this [draft] Standard as “consumers and end-users”), in terms of material positive and negative actual or potential adverse impacts connected with the undertaking’s own operations and upstream and downstream value chain, including its business relationships and its supply chain;

2. any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;
3. the nature, type and extent of the undertaking's material risks and opportunities related to its impacts and dependencies on consumers and end-users, and how the undertaking manages them; and
4. the effects of risks and opportunities, related to their impacts and dependencies on consumers and end-users, on the undertaking's development, performance and position over the short-, medium- and long-term and therefore on its ability to create enterprise value.

In order to meet the objective, the [draft] standard requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on the consumers and /or end-users related to their products and/or services in relation to:

1. information-related impacts for consumers/end-users, in particular privacy, freedom of expression and access to information; .
2. personal safety of consumers/end-users, in particular health & safety, security of a person and protection of children; and
3. social inclusion of consumers/end-users, in particular non-discrimination and access to products and services.

This draft standard derives from the [Draft] Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify the information that undertakings are to disclose regarding social factors.

Q48: Please, rate to what extent do you think ESRS S4 – Consumers and end-users

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS S4 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

Please share any comments and suggestions for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment

ESRS G1 – Governance, risk management and internal control

The objective of this [draft] standard is to specify disclosure requirements which will enable users of the undertaking’s sustainability report to understand the governance structure of the undertaking, and its internal control and risk management systems.

This [draft] standard derives from the [Draft Corporate Sustainability Reporting Directive] stating that the sustainability reporting standards shall specify information to disclose information about governance factors, including:

1. the role of the undertaking’s administrative, management and supervisory bodies, including with regard to sustainability matters, and their composition, as well as a description of the diversity policy applied and its implementation;
2. the undertaking’s internal control and risk management systems, including in relation to the undertaking’s reporting process.

Q49: Please, rate to what extent do you think ESRS G1 – Governance, risk management and internal control

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the					

CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS G1 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

Please share any comments and suggestions for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment

Although we do understand that the draft reporting standards on governance issues will undergo some changes in light of the recent agreement on the CSRD between the co-legislators, we aim to underline the importance of governance-related disclosure requirements. Good governance promotes accountability, transparency, efficiency and rule of law at all levels and allows efficient management of human, natural, economic and financial resources for equitable and sustainable development, guaranteeing civil society participation in decision-making processes. For investors but also for other stakeholders, understanding the governance of a company is crucial as it provides the basis upon which sustainability activities are built and evaluated. Strong corporate governance indicates strong corporate culture, which in turn signals robust long-term resilience.

We support the call of consolidating the governance-related disclosures in the cross-cutting standard ESRS

2, to ensure a better oversight and improve user-friendliness of the standards both for the information users as well as for the preparers. Moreover, governance matters are genuinely cross-cutting and material to all undertakings.

Another important point in reference to the governance matters, is the subject of remuneration. Companies are required to disclose their policy for the remuneration of the administrative, management and supervisory bodies under ESRS G1-6. This disclosure requirement does not encompass information about awarded remuneration and what proportion of that remuneration (in particular variable remuneration) is linked to sustainability-related objectives. Disclosing remuneration policy / incentive schemes only will not be sufficient to provide an understanding of how company directors' are incentivized to properly manage the company's sustainability impacts, risks and opportunities, which para 63 of ESRS 2 states as objective of DR S-GOV 4. Moreover, DR G1-6 is not in line with the Shareholders Rights Directive which recognises companies must disclose not only remuneration policy but also the awarded remuneration of directors. Moreover, we think a description of how companies' governance bodies are informed about sustainability matters, is key to better understand the extent to which sustainability is embedded in their business models

Lastly, concerning the disclosure requirement on diversity, we would like to point out that there are missing criteria on geographical and ethnic background and that consistency should be improved between DR G1-4 on diversity policy and G1-9 including certain diversity-related metrics.

ESRS G2 – Business conduct

The objective of this [draft] standard is to specify disclosure requirements for the undertaking to provide information about its strategy and approach, processes and procedures as well as its performance in respect of business conduct.

This [draft] standard derives from the [Draft Corporate Sustainability Reporting Directive] stating that the sustainability reporting standards shall specify information to disclose about business ethics and corporate culture, including anti-corruption and anti-bribery.

In general, business conduct covers a wide range of behaviours that support transparent and sustainable business practices to the benefit of all stakeholders. This [draft] standard focusses on a limited number of practices as follows:

1. business conduct culture;
2. avoiding corruption, bribery and other behaviours that often have been criminalised as they benefit some in positions of power with a detrimental impact on society; and
3. transparency about anti-competitive behaviour and political engagement or lobbying.

This [draft] standard is addressing business conduct as a key element of the undertaking's contribution to sustainable development. This [draft] standard requires the undertaking to report information about its overall policies and practices for business conduct, rather than information for specific material sustainability topics.

Q50: Please, rate to what extent do you think ESRS G2 – Business conduct

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	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS G2 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

Please share any comments and suggestions for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment

We are missing tax-related disclosures in ESRS G2, as it has to be pointed out that tax governance and compliance is heavily linked to business conduct. How companies behave on tax matters can have significant consequences on societies and people. This is also in line with the OECD Guidelines for Multinational Enterprises, which explicitly require tax compliance and consideration of tax matters as subject for the highest governance bodies in the organisation.

Moreover, Article 17 of SFDR stipulates that for an investment to be considered sustainable, investee companies must follow good governance practices, further detailing “in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance”. This is reflected in the delegated regulation (EU) 2022/1288 where several articles require financial market participants to describe “the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.” If ESRS fails to prescribe disclosures on tax governance and compliance, financial market participants will face major difficulties to assess their investments against the requirements imposed by SFRD.

2. ESRS implementation prioritisation / phasing-in

Application provisions

In order to facilitate the first-time application of set 1, ESRS 1 includes two provisions:

- Application Provision AP1 which exempts undertaking to reports comparatives for the first reporting period, and
- Application Provision AP2 which proposes transitional measures for entity-specific disclosures which consists in allowing the undertaking to continue to use, for 2 years, disclosures it has consistently used in the past, providing certain conditions are met, as described in paragraph 154.

Q51: to what extent do you support the implementation of Application Provision AP1?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Q52: to what extent do you support the implementation of Application Provision AP2?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Q53: what other application provision facilitating first-time application would you suggest being considered?

Please explain why

ESRS implementation prioritisation / phasing-in options

Set 1 proposes a comprehensive set of standards aimed at achieving the objectives of the CSRD proposal, with the exception of the standards to be included in Set 2.

Acknowledging the fact that the proposed vision of a comprehensive sustainability reporting might be challenging to implement in year one for the new preparers and potentially to some of the large preparers as well, EFRAG will consider using some prioritisation / phasing-in levers to smoothen out the implementation of the first set of standards.

The following questions aim at informing EFRAG’s and ultimately the European Commission’s decision as to what disclosure requirements should be considered for phasing-in, based on implementation feasibility / challenges and potentially other criteria, and over what period of time their implementation should be phased-in.

Q54: for which one of the current ESRS disclosure requirements (see Appendix I) do you think implementation feasibility will prove challenging? and why?

Given the critical importance of implementation prioritisation / phasing-in, please justify and illustrate your response

Q55: over what period of time would you think the implementation of such “challenging” disclosure requirements should be phased-in? and why?

Given the critical importance of implementation prioritisation / phasing-in, please justify and illustrate your response

Q56: beyond feasibility of implementation, what other criteria for implementation prioritisation / phasing-in would recommend being considered? And why?

Given the critical importance of implementation prioritisation / phasing-in, please justify and illustrate your response

Q57: please share any other comments you might have regarding ESRS implementation prioritisation / phasing-in

If you have other comments in the form of a document please upload it here

Contact

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