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**Sustainability Reporting Technical
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EFRAG Consultation on European Sustainability Reporting Standards

Dear Kerstin,

On behalf of the Accounting Standards Committee of Germany (ASCG) we are writing to comment on the Exposure Drafts for European Sustainability Reporting Standards (ED ESRS) issued for consultation on 29 April 2022.

We acknowledge the great work the EFRAG PTF-ESRS has done during the last months. The ESRS that are currently being developed will significantly improve sustainability reporting by the companies in the scope of the CSRD.

Over the past months we have continuously shared with EFRAG our observations regarding, for example, the Working Papers prepared by the EFRAG PTF-ESRS (see our [initial reaction](#) of 25 February 2022, our [call for an integrated reporting option](#) of 29 March 2022) or regarding EFRAG's planned consultation process on the ESRS (see our [proposal for ensuring the success of the ED ESRS consultation process](#) of 10 May 2022).

In these letters, among others, we have early on addressed the need for a global baseline and a clear international orientation of the ESRS and the need for the ESRS to be compatible with IFRS Sustainability Disclosure Standards. In our view this is still crucial. ESRS should not aim at establishing a separate European approach to sustainability reporting. Instead, EFRAG should make sure to align ESRS with the global baseline and – if needed – build on those globally accepted requirements (building block approach). We therefore would like to renew our concern about any single-handed-proposals and ask EFRAG to join the global discussion in order to find a global approach to these global issues. Part of these considerations should be the alignment of the understanding of the terminology used, e.g., a common understanding of the term “financial materiality”.

We have also already highlighted the need to reduce complexity and granularity of the ESRS disclosure requirements by focusing on proportionality. EFRAG needs to consider more carefully the wide range of undertakings within the scope of the CSRD and therefore ESRS which often will prepare sustainability reports for the first time. In the past we also addressed

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the need for a well-defined connectivity between financial and sustainability information. While these are still most crucial points, we do not want to replicate the contents of these letters in further detail. Instead, we would like to highlight further aspects on these points and other aspects in our responses to EFRAG as submitted online.

Prioritisation of sector-agnostic disclosure requirements, phasing-in-approach

The ED ESRS currently comprise very extensive and granular disclosure requirements. While the concept of the ESRS claims to include sector-agnostic disclosure requirements only, many of the requirements seem to not be sector-agnostic. We therefore urge EFRAG to reconsider the numerous requirements in the ED ESRS and to identify those disclosure requirements that are rather sector specific. These should better be placed within the sector specific standards that EFRAG is developing. The current set of ED ESRS should focus on core, truly sector-agnostic disclosure requirements. This is even more urgent before the background of the ED ESRS's approach regarding information on non-material items (see also next paragraph). Apart from identifying sector-specific requirements, EFRAG should reconsider reducing the number and level of granularity of disclosures requirements.

When revising the ED ESRS EFRAG should generally keep in mind the vast scope extension inherent in the CSRD. In Germany alone the scope of entities addressed by the CSRD will increase the number of entities reporting on sustainability matters from currently about 500 reporting entities to 15,000 entities. They are not just faced with overly extensive and granular reporting requirements; in addition, many of these entities will prepare sustainability reports for the first time. We therefore propose to establish a procedure that allows for an easier transformation to the application of the EFRS. A phased-in-approach should provide for significant simplifications. In addition to the deferred first-time application for large entities and SMEs as provided in the final CSRD prepares should be allowed to start reporting on selected disclosure requirements only (phased-in). These should include the Principal Adverse Impact Indicators as required by SFDR, cross-cutting information according to ED ESRS 1 and ED ESRS 2 as well as overall governance information of ED ESRS G1. In addition, entities would have to adhere to ED ESRS E1 as well as to ED ESRS S1. These disclosures would be a basis from which to expand the disclosures after the first-time application.

Rebuttable presumption/non-material-items-database

In the ED ESRS the concept of the rebuttable presumption is laid out according to which all disclosure requirements are defined as material for all undertakings. While we agree with the general approach to define a core set of key indicators and sustainability information that need to be presented by all undertakings, the current design of this concept is flawed. Currently, if undertakings apply the material assessment process as prescribed in the ED ESRS and undertakings conclude that a disclosure requirement is not material for them, they need to disclose this fact along with an explanation for this conclusion. This non-material-items list is overly burdensome for undertakings. In addition, so far, the ED ESRS do not sufficiently demonstrate the usefulness of information on non-material items and further explanations. We urge EFRAG to reconsider the need to prepare a non-material-items list and further explanations. We believe that otherwise this will result in undertakings "ticking off" items from their checklists rather than supporting the transformation of the underlying business models that is needed.

Need for a clear definition / concept for reporting boundaries

Furthermore, we urge EFRAG to pay specific attention to the practicability of the reporting boundaries concept currently laid out in the ED ESRS. We note that the ED ESRS propose to generally consider an undertaking's value chain (upstream and downstream) as being within the undertaking's reporting boundaries. We acknowledge that effects associated with the undertakings' value chain are also an integral part of investors' and other stakeholders' information needs. Risks and opportunities as well as impacts of undertakings within the value chain of the reporting undertaking may affect the reporting undertaking itself, regardless of them (not) being within the undertaking's control. In addition, the structure of an undertaking's value chain is closely related to the undertaking's business model. For example, size and design of the upstream value chain depend on the undertaking's own vertical integration. Therefore, the consideration of the upstream and downstream value chain is an inherent part of the assessment of material sustainability matters and essential to be reported on.

However, the current ED ESRS are vague on defining the value chain and therefore the reporting boundaries of a reporting undertaking. The ED ESRS vaguely require undertakings to generally assess and disclose *all* risks, opportunities and impacts related to their whole value chain. We ask EFRAG to specify this approach. Firstly, a complete depiction of all risks, opportunities and impacts will result in a huge amount of information that can hardly be processed for assessments and decisions of users of sustainability reports (information overload). Secondly, such a requirement will also result in administrative burden for undertakings which will outweigh the benefits.

In our view, the determination of those value chain-related information that need to be disclosed, should be the result of a risk-oriented process. For example, undertakings should focus on risks or impacts for those undertakings within the value chain that are most prone to these risks or impacts. We urge EFRAG to clarify ED ESRS 2, section 2.3. "Boundaries and value chain" accordingly and furthermore, to clarify that this risk-oriented approach is likewise valid for all requirements related to the value chain in the topical standards.

Fragmentation of corporate reporting – need to foster integrated reporting

As laid out in our earlier letters to EFRAG we consider it essential to integrate sustainability reporting in other corporate and especially in financial reporting. In line with the current text of the CSRD the ED ESRS require the sustainability report to be presented in a separately identifiable section of the management report. We, however, urge EFRAG to reconsider the concept within the ED ESRS regarding the integration of information from different ESRS within the sustainability report. The currently only available option to cross-reference within the sustainability report might reduce duplication of information but will also limit understandability and conciseness of the sustainability information. Undertakings should present the information required in the ESRS where it best fits within the sustainability report. The current various governance-related disclosure requirements are exemplary of the duplications that will result from the need to present disclosures on an ESRS-by-ESRS-basis.

Assurance

In our view the ED ESRS currently run the risk of creating an expectation gap as to the level of assurance provided for the sustainability information. For example, ED ESRS 2 asks undertakings to disclose if they also report in full or in part in accordance with other pronouncements and if such reporting is included in its sustainability statements. Users might imply that assurance refers not only to information in accordance with ESRS, but also to the disclosed pronouncements beyond it. EFRAG should consider a more precise wording avoiding any expectation gap. Other aspects that affect assurance and might result in an expectation gap are the extension of assurance procedures to undertakings in the value chain and the need to assess forward-looking information. Forward-looking information in sustainability reporting may include timeframes in the very distant future. The complexity to verify these information increases.

In order to avoid creating another expectation gap EFRAG should strive to clarify the disclosure requirements so that users better understand what they can expect (and cannot expect) from the assurance of sustainability information (for example, assurance regarding the *processes* to determine materiality, to derive unbiased estimates and assumptions rather than assurance on the correctness of information itself).

Last but not least some remarks on the consultation process

In our view, the development of a high-quality set of ESRS is paramount. At the time of our commitment to the new EFRAG structure back in November 2021 and again in May 2022 when EFRAG had just started the consultation process, we tried to capture important aspects for a successful completion of this journey and presented critical success factors for EFRAG's standard setting activities. We currently still hold strong reservations as to whether the set-up of the consultation process sufficiently addresses the challenges. Not only did constituents only have little time to respond to the voluminous ED ESRS. In addition, EFRAG itself will have very limited time and resources to successfully conduct the necessary high-quality revision of the ED ESRS which many constituents across Europe deem necessary. The suggested phasing-in-approach would allow for a focused review of more urgent matters followed by the revision of the other ED ESRS.

If you want to discuss further these aspects or any aspect laid out in the surveys, please do not hesitate to contact us.

Yours sincerely

Georg Lanfermann
President

EFRAG Sustainability Reporting Board Consultation Survey 1

Fields marked with * are mandatory.



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

ASCG

* First name

50 character(s) maximum

Marco

* Surname

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Götze

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50 character(s) maximum

goetze@drsc.de

* Country of origin

50 character(s) maximum

Germany

* 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

In our opinion, the structure and articulation of cross-cutting and topical standards fully cover the CSRD topics and reporting areas. However, according to the CSRD, the first set of the ESRS should only include sector-agnostic requirements. In contrast, the first set published by EFRAG already covers some topics that are sector specific. We therefore recommend moving sector-specific topics from the sector-agnostic to the sector-specific standards. This will streamline the structure of the standards and counteract information overload. In addition, it will reduce complexity for undertakings as they do not need to formally go through the materiality assessment (incl. the preparation of a non-material list with further explanations). With regard to governance aspects, we do not find the proposed structure convincing because of the duplication of information considering ESRS 2 GOV 1 on the one side and ESRS G1 on the other side (please refer to our comments to Q15 and Q16 of the Survey 3A).

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

ESRS seems to be compatible with TCFD. However, ESRS reporting areas (strategy, implementation, performance) differ from TCFD reporting areas (governance, strategy, risk management, metrics and targets). In contrast, both IFRS S1 and IFRS S2 are laid out based on the TCFD structure. We strongly encourage that EFRAG aligns the actual structure and contents of ESRS with the actual structure and contents of IFRS Sustainability Standards.

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

Apart from the fact that the structure of the reporting areas proposed by the ESRS differs from the structure of the IFRS Sustainability Exposure Drafts (see our comments to Q2 above), it is not possible to conclude interoperability between the ESRS and the IFRS Sustainability Exposure Drafts based on a concurrent structure alone. To give just two examples:

- ESRS and IFRS Sustainability Exposure Drafts have a different understanding of financial materiality. This different understanding alone means that no interoperability is promoted between these two sets of rules. Even if the general materiality concept is different in the two sets of rules, at least the understanding of financial materiality must be the same.
- IFRS S1 allows for an integrated reporting. In contrast, ESRS 1 chapter 6.2 provides three options to present ESRS-disclosures, none of these options allow for an integrated sustainability reporting approach. We note that the integrated approach will not be provided by the final CSRD. We regret it very much and still consider an integrated reporting option to be essential. We again would like to emphasize the importance of an integrated reporting option as an integrated sustainability reporting approach – among others – stands for a connection and equal importance of financial and sustainability reporting.

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

To (a): In our opinion, the disclosure requirements laid down the Sustainable Finance Disclosure Requirements have been considered properly.

To (b): Regarding the consideration of the criteria set out in the delegated acts adopted pursuant to Regulation (EU) 2020/852 (Taxonomy Regulation) we have the following concerns:

Paragraph AG 35 of the Draft ESRS E1 requires consistency between the disclosures according to the ESRS and the Taxonomy Regulation: "The amounts of OpEx and CapEx disclosed shall be consistent with the key performance indicators and the CapEx plan required by Commission delegated regulation (EU) 2021/2178 under Commission delegated regulation (EU) 2021/2139. The undertaking may structure its action plan by economic activity to accommodate the OpEx and CapEx plan for taxonomy alignment. Potential differences between OpEx and CapEx disclosed under this [draft] Standard and under Regulation (EU) 2020/852 shall be explained. The information fulfilling the requirements of Regulation (EU) 2020/852 shall be identified as such."

There is a lack of consistency, as ESRS apply to all activities, not only to the activities that fulfill the technical screening criteria adopted by the European Commission as governed by the Taxonomy Regulation. That means that applying ESRS, an undertaking shall report CapEx plans that are not required to be reported under the Taxonomy Regulation. In this respect, we do not believe that consistency, as required by paragraph AG 35 of the Draft ESRS E1, can be ensured.

To (c) - (g): We cannot assess the consideration of the initiatives referred in the Article 19b paragraph 3 points (c) to (g) of the CSRD since no analysis have yet been provided by EFRAG in this regard.

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

While existing European legislation is often considered in the ESRS proposals, with regard to governance aspects the overall European legislation on governance has not been sufficiently considered or aligned with ESRS. Governance aspects are therefore not only addressed in several ESRS but in several different European legislations which address parts of the requirements in ESRS. In addition to these partial overlaps the different requirements have a different scope compared to ESRS and often a different assurance level. As a result, ESRS do not contribute to a coherent approach to governance disclosures but add to the manifold existing requirements. Undertakings will not be able to turn to ESRS only in order to fulfill the governance reporting requirements but will have to consider the other European legislations. These include, for example:

Article 20 of the Accounting Directive with which the governance concept within the ESRS is not aligned with. Some disclosures required by Draft ESRS G1 are also required by Article 20 of the Accounting Directive while others are not consistent. E.g., according to Article 20 paragraph 1 point (c) a public-interest entity shall include in its corporate governance statement “a description of the main features of the undertaking's internal control and risk management systems in relation to the financial reporting process” [highlight added]. This requirement is not congruent with ESRS and moreover is to be applied by different groups of undertakings (Article 20 is only relevant for public-interest entities). According to ESRS, in contrast, undertakings shall present their internal control process (Draft ESRS G1-8) and risk management system (Draft ESRS G1-7) as a whole. ESRS do not – as Article 20 – limit this information to the aspect of the financial reporting system. In addition, according to paragraph 5 of Draft ESRS G1 public-interest entities may refer to the section of their management report where they provide the disclosures according to Article 20 paragraph 1 point (c). However, it is still unclear whether an undertaking that presents information required by Article 20 paragraph 1 point (c) outside its management report has to double this information within its sustainability report.

Another example within the governance requirements regards the Disclosure Requirement G1-6 – Remuneration policy which – in part – is mirrored in the Directive (EU) 2017/828 (Shareholder Rights Directive). According to Draft ESRS G1-6 “The undertaking shall describe the policy used for the remuneration of its administrative, management and supervisory bodies.” The Shareholder Rights Directive also includes detailed provisions regarding the remuneration policy and information to be included in the undertaking's remuneration report. We question whether these two European provisions regarding one topic reasonably interact with each other.

These few examples alone show that the governance concept within different European legislations is not aligned. The European legislation should have been adapted in order to present a concise and coherent governance concept for all undertakings reporting under the CSRD.

Furthermore, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). It should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

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.

The proposed set 1 of ESRS addresses all the CSRD sustainability topics. However, the proposed coverage of reporting requirements in set 1 goes well beyond the CSRD requirements which we consider to be very critical. First, set 1 addresses not only sector-agnostic but also some sector-specific topics, which is not mandated by the CSRD (please refer to our comment on Q1 above). Second, the CSRD allows for a prioritisation approach within the set 1. We support the prioritisation of certain ESRS, see our answer to Q53 and Q54 of the Survey 2.

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

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)

Yes we strongly recommend another option. We note that the integrated approach will not be provided by the final CSRD. We regret it very much and still consider it essential. As already stated in the DRSC's Technical Committee's letter to EFRAG of 29 March 2022, we again would like to emphasize the importance of an integrated reporting option as an integrated sustainability reporting approach stands for a connection and equal importance of financial and sustainability reporting, it stands for integration of sustainability matters throughout the organisation and down to the operational level of the entity; companies and stakeholders alike acknowledge the better understanding of the entity's strengths, weaknesses, opportunities, and threats through integrated reporting.

This request is independent of our agreement with the other specific proposed options in paragraphs 148 and 149 of Draft ESRS 1 for the presentation of sustainability information within the management report. But we believe a fourth option for integrated reporting to be essential.

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

There are numerous redundancies with the traditional management report (e.g., Disclosure Requirement 2-SBM 1 – Overview of strategy and business model, Disclosure Requirement 2-GR 2 – Sector(s) of activity, Disclosure Requirement 2-GR 3 – Key features of the value chain, Disclosure Requirement 2-GR 4 – Key drivers of the value creation in Draft ESRS 2). There are also many sustainability risks that have to be described in the management report and in the sustainability report according to ESRS. In order to avoid duplication, the ESRS offer the option of referencing in the sustainability report to the other sections of the management report (Draft ESRS 1 paragraph 135 in conjunction with Draft ESRS 2 paragraph 2). In our view, neither duplication of information nor extensive referencing is a preferable and user-friendly alternative to integrated reporting.

Moreover, in contrast to the management report, paragraph 135 of Draft ESRS 1 explicitly prohibits reference in the sustainability statements to reports other than the management report. The management report explains and supplements the financial statements and can therefore only be considered in conjunction with the financial statements. In this respect, it is questionable why referencing to the other sections of the management report is allowed, while referencing to the financial statement is prohibited. This question would also become superfluous with an integrated reporting approach.

Furthermore, ESRS propose to include consistency statements within the sustainability report. E.g., paragraph AG 77 of Draft ESRS E1 contains the following requirement: „The undertaking shall include a statement of consistency illustrating the consistency of data and of assumptions made in sustainability reporting to assess the financial effects from material physical risks with the corresponding data and assumptions used for the financial statements (e.g., impairment of assets, useful life of assets, estimates and provisions).“

The meaning of that requirement seems questionable in the light of the requirement of Article 34 of the

Accounting Directive according to which the auditor shall “express an opinion on whether the management report is consistent with the financial statements for the same financial year”. Since the sustainability report is proposed to be part of the management report, in our view, ESRS require a consistency for sustainability information in the management report that goes beyond the general consistency requirement for the management report.

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

Please refer to our comments to question Q10.

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

- Not just for the principle of relevance but for all principles defining the qualities of information we support the general approach to align the qualitative characteristics of sustainability information with characteristics in accordance with the IASB’s Conceptual Framework and ED IFRS S1. This will facilitate the understandability of the underlying concepts and will generally foster connectivity between financial and sustainability reporting (integrated reporting) as well as integrated auditing. It will also allow for a global baseline of sustainability reporting.
- EFRAG should clarify the balance that sustainability information should strike between different qualitative characteristics (meant to be the same or different compared to financial reporting and compared to the IASB Conceptual Framework?). For example, the IASB Framework (para 2.21 ff.) elaborates on the trade-off between relevant and faithful representation. In the example the trade-off refers to information being not sufficiently fair represented due to high uncertainty in which case the company should opt for a slightly less relevant information with a lower measurement uncertainty.
- In addition, while the same term “relevance” is used there are different underlying concepts to relevance: according to ESRS “materiality is an enabling factor of relevance”, while according to the IASB Framework 2.11 and ED IFRS S1.58 “materiality is an entity-specific aspect of relevance”. ESRS indicate an alignment with financial reporting requirements, when in fact, they are based on different concepts with regards to users of these statements and the materiality concept (financial vs. double materiality). Our main concern is that there is not a clear distinction between / definition of materiality on the one side and relevance on the other side.
- In addition, the implementation of the relevance principle throughout the Disclosure Requirements in the ED ESRSs is insufficient. We agree with the approach described in the ESRS to determine relevant information and we are in favor of a principle-based standard setting approach to ensure that management reports the most relevant information used within the undertaking. Added to the principles should be specific guidance, e.g., with regard to how materiality is to be interpreted when reporting on social issues. Also, we support additional guidance to define sector-specific KPIs. This guidance within ESRS will enhance comparability across undertakings. But we would like to point out that this should not result in overly granular reporting requirements as currently proposed in some ESRS as these will lead to information overload; this reduces the understandability of material information and hence the relevance of the information provided.

EFRAG should find an appropriate balance between principles and specific guidance. In any case, the requirements need to be based on evidence that decisions may be influenced. With regard to the multi-stakeholder approach of the ESRS, the need for decision usefulness raises the question of the scope of the decisions to be taken into account (i.e., whose decisions are to be considered when determining material sustainability information?).

- As for the overall concepts for the qualitative characteristics of sustainability information we ask EFRAG to include the concept of timeliness. We understand ESRS 1.BC31 stating that EU legislation governs reporting dates. However, in our view “timeliness” as an enhancing characteristic is not about specific reporting dates, but rather specifies the timing for an information to be included in the financial / sustainability report (if it is capable of influencing a decision) and that information is less useful the older it gets. This holds true for sustainability information and is just as important under the sustainability concept as it is in the financial reporting context.

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

- Again, the principle of faithful representation is based on the concept of faithful representation for financial information (used for decisions of investors) as laid out in the IASB’s Conceptual Framework and ED IFRS S1.
- While we generally agree with this approach, clarification is needed for this principle in the context of sustainability information (see our comments to Q13).
- Completeness is an enhancing characteristic of faithful representation, and we agree with the understanding that a sustainability report shall include all material aspects to be complete. However, ESRS require numerous detailed disclosures for a sustainability report to be complete. In our view, expanding the information to non-material information (ED ESRS 1 paragraphs 57 to 62: materiality rebuttable presumption mechanism) does not add to, but rather reduces the quality of information. The reference to immaterial information under the enhancing characteristic of understandability seems to contradict the characteristic of “complete” (achieved by including all material information).

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

- The principle of comparability of sustainability information is adequately defined. However, its interpretation should not result in excessive granularity of the requirements in the ESRS and the detail in which the ESRS cover sustainability topics.
- However, to assure a certain level of comparability we are in favor of prescribing a core set of KPIs and disclosure requirements. These are necessary to achieve comparability across sectors and especially across undertakings within specific sectors. The conceptual approach should be as follows: whenever information is not disclosed it can be concluded that this aspect is not material to the undertaking. This needs to be made clear in the guidance.
- In defining this minimum, EFRAG should apply a focused approach, reflecting parallel requirements such as Taxonomy and SFDR.
- Furthermore, reporting requirements often comprise the whole value chain, potentially including the up- and downstream value chain of the entity as well as the value chains of suppliers, sub-contractors, and customers (see ED ESRS 2 AG13 et seq.); reporting undertakings will have to gather information from numerous undertakings, often SMEs, along the value chain who might not be able to provide the data (or the data quality) needed; this will impair comparability across sustainability reports (and even within sustainability reports of one undertaking).

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

- Verifiability is a core aspect of faithful representation; the IFRS Framework as well as ED IFRS S1 refer to the trade-off between the relevance and the verifiability (faithful representation) of information that is sometimes necessary to consider. EFRAG should clarify the balance the undertakings should try to strike between relevance and faithful representation for sustainability information and the emphasis that is to be put on the verifiability of the (forward looking) information. EFRAG should clarify whether that same trade-off as for financial information applies for sustainability information or whether there is – due to differences in the information (e.g. forward looking / time horizon / including of information along the value chain) – a different understanding of the trade off to be made. It should be avoided to create an expectation gap regarding the relevance / verifiability of information.
- ED ESRS E1 contains numerous references to other standards and frameworks, in part with requirements that are or can be relevant for the reporting entity, however, the degree of (expected) compliance has to be clarified (e.g. ED ESRS E1 AG 48 a): “consider the principles and provisions of the GHG Protocol Corporate Value Chain (Scope 3)”).
- Against the background of the external audit requirement (limited assurance), the expected degree of compliance with these (external) standards and frameworks should be made clear.
- It must be sufficiently explained to what extent which standards and frameworks shall be observed.
- Furthermore, the disclosure requirements regarding information about the value chain also pose great challenges for auditors. EFRAG should, in our opinion, focus more on the need for estimates that are comparable across undertakings.

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

- The principle of understandability of sustainability information is adequately defined. However, the implementation of this principle in the Disclosure Requirements of the ED ESRS is insufficient due to several reasons:
 - The concept of understandability according to ED ESRS requires including immaterial information (but avoiding obscuring material information); EFRAG should explain in more detail how immaterial information will contribute to the objective of ESRS (and to the decision usefulness of the information), which we are not convinced of.
 - Furthermore, the concept of understandability requires avoiding duplication (para 40) which we believe to be a very important principle. However, the ESRS itself generate redundancies (e.g. ESRS 2.GOV 1 – GOV5 on the one side and ESRS G1 on the other side, various overlapping impact information, various overlapping stakeholder information).
 - These overlaps do not only exist within the sustainability report, but also with regard to the management report (e.g., risks and opportunities) and the financial report (e.g., information on revenue).
 - To increase connectivity between sustainable and financial information: financial information already provided as well as links to financial information could be explored in more depth. What is meant, for example, by the requirement in ESRS that “if information is best understood in the context of financial statement that information should be included”? Is the requirement to include information from the financial report in the sustainability report and thereby expand/duplicate even more information?
 - Clarification of the link to financial statements is necessary: for example, ED ESRS 2 requires various, detailed revenue disclosures; options should be explored as to how ED ESRS 2 could refer to relevant disclosures already available in financial reporting (e.g., IFRS 8, IFRS 15, IAS 1.13 with MC) thereby increasing link to financial information.
 - To connect the information: sustainability reporting could refer to amounts presented on the primary financial statements or the management report. A comparable approach is proposed in ED ESRS E1, for example in DR E1-11 on GHG intensity per net turnover.

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

- The concept of double materiality in the proposals remains vague: ESRS 1 contains four definitions of materiality (information materiality, double materiality, impact and financial materiality), but there is no comprehensive clarification of the relationship between the different definitions. A clear distinction and the identification of overlapping areas is missing. There is no reference at all to the definition of “material” already contained in the Accounting Directive. The missing reference to the definition in the Accounting Directive is proof for the ESRS failing to provide a reasonable link to financial reporting.
- In ESRS 1, relevance refers to (double) materiality, but this reference does not make the necessary differentiation between concept, principle, characteristic or criterion. Is (double) materiality part of the qualitative characteristics or a separate concept? How does materiality interact with relevance and the other qualitative characteristics? In our view, relevant information is those mentioned in the ESRS; material information is those topics that have significance specifically for a particular undertaking (materiality is an entity-specific aspect of relevance).
- The conceptual weakness of the definition of double materiality is most apparent when it results in a different understanding of financial materiality for sustainability information on the one side and of financial materiality for financial information on the other side. It is crucial that EFRAG lays out a common understanding of financial materiality in line with IFRS and in line with a comprehensive corporate reporting.

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

- Due to the conceptual weakness outlined above (Q18), we find the implementation of double materiality is practically feasible only to a limited extent with strong reservations; clarification is needed. As currently drafted, the guidance will make the materiality assessment for preparers extremely difficult and

similarly difficult to be assessed by auditors. Hence, it poses the risk of creating misinterpretations and expectation gaps with users, regulators and other stakeholders. It will also limit comparability across undertakings.

- In addition, we think implementation issues should be defined in ESRS 1. ESRS 2 should only contain requirements for reporting on the process for identification of relevant topics that are material and which material topics were identified.
- Further, we consider including examples for the implementation of double materiality as necessary.

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

- ISSB will publish a global baseline for sustainability reporting; these standards do not include a concept for impact materiality. However, it is not clear how large the area of impact materiality is that is not covered by financial materiality.
- We agree, however, that impact materiality is an important underlying principle of the ESRS. Therefore, complete alignment of ESRS with the current ED IFRS is neither achievable nor desirable. But nevertheless, the alignment as far as possible for the financial materiality is of utmost importance; overlaps between financial and impact materiality (as a consequence of dynamic materiality) and the areas of impact materiality that go beyond financial materiality need to be clearly defined.
- This is a basic premise for the success of the global baseline and the building block approach. Due to the conceptual weaknesses mentioned above (Q18), this basic premise is not fulfilled.

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

- The existing overlap of impact and financial materiality and the correlation between these two materialities makes it difficult to focus independently on only impacts on the one hand and only risks and opportunities on the other.
- Further, the meaning of terms – like the determination of scale and scope – is not clarified in ESRS.
- There are a large number of practical implementation issues that ESRS should address in more clarity, e.g., value chain aspects are a huge challenge for determination and implementation of impact materiality.
- Further, we consider including examples for the implementation of impact materiality as necessary, as already suggested for the implementation of the double materiality (Q19).

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

- ED ESRS 1 explicitly excludes from a financial materiality in the context of sustainability reporting the financial effects captured in financial reporting (ESRS 1 par. 52). Since these financial effects are both supposed to likely influence the future cash flows and therefore the enterprise value of the entities this differentiation seems artificial. EFRAG should clarify the understanding of financial materiality in order to have a common understanding of financial materiality in line with IFRS and in line with a comprehensive corporate reporting.
- In addition, this differentiation does not provide for an integrative approach to sustainability and financial reporting. Therefore, the understanding of financial materiality in ED ESRS 1 should be compatible with the current understanding in financial reporting.
- Particularly important is a global baseline as currently developed by the ISSB. EFRAG should build its activities and advice on this global baseline to achieve better compatibility with standards applied elsewhere

in the world. This requires a uniform understanding of financial materiality. As mentioned before, the definition of financial materiality should be aligned with ED IFRS S1

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

- Due to the artificial differentiation between financial materiality in sustainability reporting and another financial materiality in financial reporting, we find the implementation of financial materiality is practically feasible only to a limited extent with strong reservations; clarification is needed.
- In this regard, we again refer to the conceptual weaknesses addressed in Q18.
- Also, we again encourage to include examples for the implementation of financial materiality as already suggested for the implementation of the double an impact materiality (Q19 and 21.)

(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

- We support that there are core key indicators and core disclosure requirements defined that are to be reported by all undertakings if they are material.
- However, the disclosure requirements in the Draft ESRS are not limited to that set of necessary core key indicators / disclosures but also include numerous disclosures which we identified as not being sector-agnostic, but sector-specific. Therefore, the implementation of the rebuttable presumption concept within ESRS likely results in (long) lists of non-material items reducing relevance of information and causing information overload, tremendously increases burden on companies as the concept requires explanations of why items are non-material.
- With reference to the numerous detailed disclosure requirements, the already very large extent of disclosures is additionally greatly expanded by the information on non-material information (ED ESRS 1 paragraphs 57 to 62: materiality rebuttable presumption mechanism). Here, the problem of information overload can significantly limit the quality of reporting.

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

- This information seems particularly relevant for NGOs to evaluate which information undertakings did not consider material.
- Comparability is often seen as an advantage. However, a database would show non-material aspects as such with a corresponding "zero" entry.
- To give reasons for considering an information as not material could be considered to have a stewardship function.

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

- There is a great risk of information overload and reduced understandability of sustainability report.
- In addition, it requires burdensome explanations of non-material items and is not in line with an appropriate cost-benefit relation.

Q27: how would you suggest it can be improved?

- We do not consider a whole list of non-material items and explanation regarding the non-materiality to be useful. In our view the comprehensive disclosure requirements for the materiality assessment are already sufficient.

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

- Data are difficult to collect, even though this is not a criterion for a disclosure requirement we suggest a different approach altogether.
- Suggestion: risk-based-approach regarding information that should be collected throughout the value chain.
- To specify the approximation of information on the value chain that cannot (practically) be collected, it would be useful to give examples in the disclosure requirements.

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

- Alternative suggestion: allow for a risk-based-approach (e.g. country-specific risk, industry-specific-risk, company-size-specific risk...) for the process of collecting data along the value chain.

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

Our reservations regard the following aspects:

- Paragraph 74 requires “when relevant for a proper understanding...” that a disaggregation shall be adopted for: a) by country, b) relation to significant site or significant asset.
- Aggregation requirement (“avoid obscuring”) difficult as numbers are often not comparable
- Disaggregation of information in the sector-agnostic disclosure requirements seems to make sense in principle (e.g., physical climate risks for certain significant production halls according to ED ESRS E1). However, the different levels of reporting pose a great challenge for entities.
- Large number of individual disclosure requirements with different levels of consideration weakens the understandability, relevance, and comparability of the disclosures.

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

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

- Yes
- No
- I do not know

Please explain why

- It is not appropriate that everything beyond five years is “long-term” and that only one year is considered as “short-term”. Therefore, it should not be defined generally for all disclosures, but industry-specific or context-related.
- Time horizon requirements should be consistent with ISSB standards (global baseline), which will likely be less prescriptive.

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

- It should not be defined generally for all disclosures, but industry-specific or context-related
- Entities should be left to set their own time horizons for sustainability reporting purposes.
- These decisions would have to be disclosed / explained by the undertaking.

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

- Support for information on policies
- Important to keep an appropriate level of granularity
- Suggestion: include reference to key policies in line with ED ESRS 1 paragraph 104
- See our comments on topical standards (requirements on policies seems too detailed)

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

- Support for information on targets
- Important to keep an appropriate level of granularity
- Suggestion: include reference to key targets

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

- Support for information on key action plans and resources; nevertheless, this reporting requirement is about information that is highly sensitive for the undertaking (e.g. to avoid competitive disadvantages). Therefore, it is important to keep an appropriate level of granularity for reporting on (key) action plans and resources; information at action-level should be limited to information that is indeed decision-useful at that level.
- Questionable whether ED ESRS 1 paragraph 105 is practical; interaction with the EU-Taxonomy (Regulation (EU) 2020/852) remains undefined and causes uncertainties for preparers.

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)

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

Regarding alignment with IFRS S1 EDs IFRS S1 and ESRS 1 follow different approaches regarding the purpose of sustainability information reported under these standards;

- they focus on different user groups and prescribe different ways to determine the sustainability information to be reported (financial materiality only vs. double materiality);
- therefore, overall alignment is neither achievable nor desirable;
- however, it's crucial for undertakings that the requirements within all ESRS are aligned as much as possible with IFRS Sustainability Disclosure Standards (current and future standards);
- it is crucial that an alignment with the global baseline is achieved; to this end we support the general approach to align the characteristics of sustainability information (qualitative characteristics of information), but suggests clarifying possible differences within the concepts; we also suggest including "timeliness" as one enhancing characteristics;
- to achieve the alignment, it is also crucial to align other terms used, most importantly: financial materiality. There should be a common understanding across IFRS Sustainable Disclosure Standards and ESRS with regard to financial materiality.

We would like to additionally comment on the important principles in ED ESRS 1:

- ED ESRS 1 needs to clarify the concept and practical implications of double materiality. We concur with EFRAGs approach to consider both, impacts as well as risks and opportunities. However, the ED ESRS are not clear on the relationship / difference between materiality and relevance. ESRS define materiality as an enabling factor for relevance. The common understanding however is (as also laid out in the IFRS S1 or IASB Framework) that materiality is an entity-specific aspect of relevance. The conceptual weakness of the concept is most apparent when it results in a different understanding of financial materiality for sustainability information on the one side and of financial materiality for financial information on the other side.

- We support the approach taken in defining the qualitative characteristics of sustainability information (i.e., alignment IASB Framework and IFRS Sustainability Disclosure Standards). However, we expect EFRAG to clarify potential differences compared to financial information by explaining the qualitative characteristics with regard to specific aspects of sustainability reporting (e.g., trade-off between relevance and faithful representation). Also, EFRAG should delete reference to immaterial information within the qualitative characteristics. These are neither necessary to complete a sustainability report nor are they necessary to understand a sustainability report. They do, however, add to the information volume, resulting in information overload. EFRAG should further include “timeliness” as one of the enhancing characteristics. Despite EU regulations on the timing of the publication, the characteristic “timing” addresses the question of when (i.e. as early as possible) information should be included in the sustainability report.
- ED ESRS 1 lays out presentation options. We acknowledge that the CSRD requires sustainability information to be presented in a clearly identifiable dedicated section of the management report. We nevertheless believe that – contrary to the CSRD and to ED ESRS 1 – the integrated reporting approach should be an option for undertakings as it is the most advantageous approach with regard to the objectives of sustainability reporting. It will foster the integration of sustainability matters throughout an organization and allows integration of sustainability and financial information.
- We do not support the rebuttable presumption mechanism laid out in ED ESRS 1. Since ED ESRS comprise disclosure requirements that are not sector-agnostic we believe this mechanism to result in extensive lists and explanations on non-material items. We understand there are information that EFRAG as well as many stakeholders have identified as essential/key core indicators. These shall be reported by all undertakings without exception. EFRAG should clearly identify these. These core key indicators should not be subject to a rebuttable presumption. For all other disclosure requirements undertakings should not have to provide a non-material-items lists and explanations. If stakeholder find non-material information informative EFRAG should specify this information need.
- EFRAG needs to clarify the boundaries concept, incl. the value chain, of the sustainability reports. An alternative would be a risk-based approach on including the value chain.
- Time horizon should be defined for specific sectors to leave room for flexibility to reflect undertakings / sector specific business models.

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 |
|--|------------|----------------------------------------------|------------------------------------------|-------|------------|
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|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|----------------------------------|-----------------------|-----------------------|
| 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 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 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 checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" 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 checked="" 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 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

H:

Please see the comment in the separately uploaded document, due to the character limit of 5000 characters.

F:

Please see the comment in the separately uploaded document, due to the character limit of 5000 characters.

General:

- ED ESRS 2 addresses many different aspects of sustainability reporting and includes various different concepts. An overall assessment is therefore difficult as a differentiated view is necessary.

The main points of critique are:

- ED ESRS 2 requires information on the presentation option chosen. We acknowledge that the CSRD

requires the sustainability information to be presented in a clearly identifiable dedicated section of the management report. We nevertheless believe that – contrary to the CSRD and to ED ESRS 1 – the integrated reporting approach should be an option for undertakings as it is the most advantageous approach with regard to the objectives of sustainability reporting. It will foster the integration of sustainability matters on all levels of an undertaking’s organization and allows the integration of sustainability and financial information.

- The options provided in ED ESRS 1 and reported on under ED ESRS 2 limit such an approach. This will result in duplications of information in the management report and financial statements; it will also result in numerous references within the management report and even within the sustainability report. This approach will make the sustainability report less concise, less clear, and less understandable.

- For example, all ED ESRS require disclosures on stakeholder involvement, stakeholders’ views and expectations and the effects on the undertaking’s strategy, business model etc. with regards to various aspects of sustainability reporting. As of now, undertakings might reference to these different disclosures across the ESRS, they may not, however, integrate these information in one or few disclosures within the sustainability report. Another example are information required in ED ESRS 2 SBM 3 on the interaction of impacts and the undertaking’s strategy and business model. Throughout the ED ESRS undertakings will report on their impacts with regard to the relevant aspects of sustainability reporting. ED ESRS 2 SBM 3 seems to duplicate reporting on impacts and requires presenting information on impacts out of context. We do not support the rigid reporting regime which follows from the limited reporting options.

- While we believe it is essential to enhance the sustainability reporting to the value chain we support a risk-based approach to value chain reporting (see comment above for part H).

- Many undertakings have not dedicated their action plans to one single sustainability matter exclusively; in contrast, actions plans may be taken and planned for a combination of different sustainability aspects (for example climate and social aspects). In case of such a combined action plan, an undertaking needs clarity on how to allocate the resources to the (example continued) climate related leg and the social related leg of the action plan. There is no such guidance contained in the ED.

- ED ESRS 2.27 requires undertakings to disclose whether they fully or in part report “in accordance with” other internationally accepted sustainability standards: it is crucial to understand that this wording implies additional auditing/assurance procedures (in addition to verifying ESRS-alignment further auditing procedures are necessary with regard to other standards that the undertaking adhered to). EFRAG should reconsider the wording to avoid addition of audit/assurance procedures.

- We acknowledge that the final CSRD refers to governance matters “with regard to sustainability”. We therefore understand that ED ESRS 2 includes governance aspects with respect to sustainability matters only. However, we support a more general approach to reporting about governance matters as we do not believe that “general governance” should be considered separately from “sustainability” governance. We therefore suggest allowing undertakings to report about general and sustainability governance matters in an integrated fashion. We therefore ask to include in the final ESRS the disclosures on general governance that undertakings can follow on a voluntary basis. Furthermore, the governance disclosure requirements / disclosure guidance should be combined in one ESRS to avoid duplication and to allow for a concise report on governance including all aspects of governance. See comments on G1.

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 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 checked="" 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 checked="" 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 checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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|----------------------------------------------------------------------------------------------------|-----------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
| 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 checked="" 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 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

B, C, D, E, H, I, J: Please see the comment in the separately uploaded document, due to the character limit of 5000 characters.

C:

We note that the Global GHG Accounting and Reporting Standard for the Financial Industry by the PCAF requires financial institutions to include “facilitated” emissions in the Scope 3 category 15 (Investments). In contrast, the GHG protocol is not clear on that. In our comment letter to the ISSB on the ED IFRS S2 we support the ISSB proposal to consider the concept of facilitated emissions for the financial industries, and we urge EFRAG to do so as well when developing sector specific standards.

F:

(1) Quantitative disclosures on items with regards to the last reporting period are considered easily verifiable /auditable. However, the proposed disclosure requirements also contain forward-looking statements which are in part subject to significant judgments. Basically, auditors are already familiar with such challenges when auditing non-financial reports and also "classic" IFRS financial statements (e.g. IAS 36, CF models based on management planning incl. perpetuity). EFRAG should closely work with professional audit firms to further ensure auditability of the disclosure requirements. (2) In general, we think the proposed disclosures can be verified and assured, considered individually. However, since the requirements in ESRS E1 (and the other standards likewise) are numerous, detailed, and very specific, we have doubts on the verifiability of all new disclosures given the timetable of the European Commission. (3) It should be noted that the auditor will not make a statement on the accuracy of the sustainability disclosures, but on the audited process regarding the collection and monitoring of these disclosures. This understanding is important to prevent the possible expectation gap.

On GHG Protocol:

The references to the GHGP in ESRS E1 are appropriate, as the GHGP is a globally accepted framework on measuring, managing, and reporting GHG emissions. However, we note the GHGP has remained unamended since 2016 and might, therefore, need to be reviewed/updated. As an example, negative emissions are gaining in importance and are even addressed in ED ESRS E1, but not in the GHGP. Also, the GHGP does not discuss in detail on how to calculate emission factors to quantify emissions in CO2 equivalents from the combustion of fuels. Therefore, EFRAG should make sure that future amendments to the GHGP are still consistent with the requirements of ESRS E1; i.a.w., EFRAG might be required to amend ESRS E1 in case of amendments to the GHG-Protocol.

On AG re ESRS 2 GOV4 on carbon pricing schemes:

Carbon pricing schemes are used in practice for managing an undertaking's greenhouse gas emissions. However, there are a variety of other instruments used by undertakings in this regard. In our opinion, undertakings should be required to disclose their schemes for monitoring and managing GHG emissions, in general. The requirements may point to carbon pricing schemes as an example amongst others. However, we believe that a dedicated and exclusive requirement on carbon pricing schemes is not meaningful as it ignores the variety of other schemes.

On AG14 re ESRS 2 IRO 1 and 2:

Use of climate scenarios is an important prerequisite for undertakings to assess whether or not climate related risks are material for their business model and their strategy. It can also be observed that the use of climate scenarios by undertakings is increasing. Nevertheless, use of scenario analyses is still very or even too burdensome and complex for most undertakings. Also, a long learning phase is needed. The requirements to use climate scenarios, e.g., in para AG14, should be worded as a recommendation, for a certain transition period.

On digitisation:

In order to achieve an alignment with the ISSBs global baseline we think "alignment" should not just comprise the content but also the digital taxonomy for reporting. Therefore, we urge EFRAG to closely cooperate with the IFRS Foundation also on this regard.

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 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 checked="" 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 checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" 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 checked="" 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

H:

Firstly, we note that a cost-benefit-analysis has not yet been provided by EFRAG to be assessed by constituents of that consultation. We point out to the fact that the answers collected on question H cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, per se.

In addition, for answering that question we distinguish between (1) undertakings that already have gained experience with climate reporting and (2) those that have not. The first group undertakings have either been in the scope of the NFRD or are already preparing sustainability reports on a voluntary basis. Probably, these undertakings will be better prepared (although not “well prepared” in absolute terms) to comply with the enhanced disclosure requirements, than undertakings of the second group. However, as the second group of undertakings will have the much greater share of all undertakings in scope, the cost-benefit-aspect appears highly questionable in entirety, given the high amount of new reporting requirements to be complied with at the same time under the EU Commission’s time schedule.

The general inclusion of the value chain for sustainability reporting results in high burden for undertakings that we doubt justifies the benefits of that exercise. EFRAG should be aware of the fact that many companies’ supply chain involve up to a five-digit number suppliers that are only first-tier ones. As the complete value chain might comprise even more parties, we strongly urge to reconsider such a general requirement as we believe it can hardly be complied with by undertakings.

Collecting data on the value chain is a major challenge. As addressed in ESRS 1 as well we ask EFRAG to consider a risk-based-approach regarding information that should be collected throughout the value chain. Such a risk-based approach is already inherent in the proposal for a Directive on corporate sustainability due diligence.

F:

In general, we think the proposed disclosures can be verified and assured, considered individually. However, since the requirements in this standard (and the other standards likewise) are numerous, detailed, and very specific, we have doubts on the verifiability of all new disclosures given the timetable of the European Commission. Furthermore, this question cannot be answered for the entire standard, but only for the specific disclosure requirements.

We would like to point out that the auditor will not make a statement on the accuracy of the sustainability disclosures, but on the audited process regarding the collection and monitoring of these disclosures. This understanding is important to prevent the possible expectation gap.

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 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 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 type="radio"/> | <input checked="" 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 checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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|----------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------------|
| 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 checked="" 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 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

H:

Firstly, we note that a cost-benefit-analysis has not yet been provided by EFRAG to be assessed by constituents of that consultation. We point out to the fact that the answers collected on question H cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, per se.

In addition, for answering that question we distinguish between (1) undertakings that already have gained experience with climate reporting and (2) those that have not. The first group undertakings have either been in the scope of the NFRD or are already preparing sustainability reports on a voluntary basis. Probably, these undertakings will be better prepared (although not “well prepared” in absolute terms) to comply with the enhanced disclosure requirements, than undertakings of the second group. However, as the second group of undertakings will have the much greater share of all undertakings in scope, the cost-benefit-aspect appears highly questionable in entirety, given the high amount of new reporting requirements to be complied with at the same time under the EU Commission’s time schedule.

The general inclusion of the value chain for sustainability reporting results in high burden for undertakings that we doubt justifies the benefits of that exercise. EFRAG should be aware of the fact that many companies’ supply chain involve up to a five-digit number suppliers that are only first-tier ones. As the complete value chain might comprise even more parties, we strongly urge to reconsider such a general requirement as we believe it can hardly be complied with by undertakings.

Collecting data on the value chain is a major challenge. As addressed in ESRS 1 as well we ask EFRAG to consider a risk-based-approach regarding information that should be collected throughout the value chain. Such a risk-based approach is already inherent in the proposal for a Directive on corporate sustainability due diligence.

F:

In general, we think the proposed disclosures can be verified and assured, considered individually. However, since the requirements in this standard (and the other standards likewise) are numerous, detailed, and very specific, we have doubts on the verifiability of all new disclosures given the timetable of the European Commission. Furthermore, this question cannot be answered for the entire standard, but only for the specific disclosure requirements.

We would like to point out that the auditor will not make a statement on the accuracy of the sustainability disclosures, but on the audited process regarding the collection and monitoring of these disclosures. This understanding is important to prevent the possible expectation gap.

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 checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Fosters comparability across sectors | <input type="radio"/> | <input checked="" 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 checked="" 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 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 checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" 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 checked="" 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 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

F, H:

Please see the comment in the separately uploaded document, due to the character limit of 5000 characters.

General:

The fundamental problem in reporting on biodiversity lies in the fact that, on the one hand, there is great ecological pressure to address the topic appropriately (i.e. intensively), but on the other hand, neither science nor capital market players and companies currently have suitable measurement methods and tools to meet the ecological requirement of data transparency. The fact that reporting on biodiversity is new territory can be seen, for example, in the fact that a mapping of the Draft Disclosure Requirements to existing (voluntary) standards reveals numerous "white spots", i.e. very little matching to existing standards such as GRI or TNFD can be observed. Biodiversity reporting thus needs to be rethought. The first working paper on biodiversity (Working Paper) attempted to address this situation by providing information that would have been almost impossible to obtain based on current knowledge (e.g. scenario analysis for biodiversity). Due to the very high complexity and the estimated low feasibility in the implementation of the Working Paper Draft, the Consultation Draft is significantly simplified, but according to the first assessment still not suitable to generate comparable, standardized information. That is, companies run the risk of spending a lot of time applying a biodiversity standard that nevertheless cannot provide the information that is relevant for risk assessments and investment decisions. A major misunderstanding in the design of the standard is also the assumption that biodiversity can be treated analogously to climate.

Thesis-like requirement for the future:

(a) The biodiversity standard is a start, but not the target picture.

- b) The target picture should be more ambitious and take into account findings from COP15 (in Dec. 22).
 - c) I.e. science and rapporteurs have to grow in parallel to the task.
 - d) A roadmap should be defined on how to move from reporting 1.0 to reporting 2.0.
- 1) Standard in its current version fails to achieve the goal of creating transparency and addressing biodiversity risks in a stakeholder-oriented way (financial market, politics/society), as queried information is difficult or limited to evaluate (standardize and aggregate): The biodiversity standard is very important to understand the "outside in" and "inside out" relationship networks of companies and biodiversity (and "natural capital"). The current standard as it is formulated can only be a starting point but not the destination of the regulatory journey. To make the information generated by the standard effectively useful to investors and regulators, information needs to be disclosed in a standardized and quantifiable format in the medium and long term. Appropriate information and data are needed to avert biodiversity collapse, and this data must become available as soon as possible in an aggregable and analyzable form to enable the financial sector and policymakers to act effectively. This standard is the most important means to that end. At the moment, the standard fails to achieve this objective.
 - 2) Since the standard does not fulfill its target purpose (assumption: helpful information for stakeholders and especially for politics and the economy/capital market), the effort of disclosure is significant in comparison. This effort is mainly driven by the lack of standardization. For example, companies must be able to understand, compare and select the various standards in the annex in order to disclose meaningfully.
 - 3) The standard still does not define consistent targets and biodiversity KPIs, although COP15 may provide an opportunity for this. There has been a failure to bring global and international targets into the Annex (over 20 pages) into a unified understanding/make a quality assessment of the various standards. Targets are to be set at the UN Biodiversity Conference (COP15) in Canada in December 2022. The standard could be specifically based on these targets, as these targets have at least "democratically" emerged in collaboration with the Global South.
 - 4) the fundamental misconception that biodiversity can be treated like climate still runs through the standard. This is particularly evident in the example of offsets. Although in comparison to the first draft it is defined in more detail in which cases off-sets can be used, the location specificity of biodiversity loss is ignored. GHGs spread globally and it "does not matter" where they are emitted. Biodiversity loss can destroy local ecosystems. ED ESRS E5 Resource use and circular economy

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 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 type="radio"/> | <input checked="" 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 checked="" 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 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 checked="" 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 checked="" 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 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

H:

Firstly, we note that a cost-benefit-analysis has not yet been provided by EFRAG to be assessed by constituents of that consultation. We point out to the fact that the answers collected on question H cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, per se.

In addition, for answering that question we distinguish between (1) undertakings that already have gained experience with climate reporting and (2) those that have not. The first group undertakings have either been in the scope of the NFRD or are already preparing sustainability reports on a voluntary basis. Probably, these undertakings will be better prepared (although not “well prepared” in absolute terms) to comply with the enhanced disclosure requirements, than undertakings of the second group. However, as the second group of undertakings will have the much greater share of all undertakings in scope, the cost-benefit-aspect appears highly questionable in entirety, given the high amount of new reporting requirements to be complied with at the same time under the EU Commission’s time schedule.

The general inclusion of the value chain for sustainability reporting results in high burden for undertakings that we doubt justifies the benefits of that exercise. EFRAG should be aware of the fact that many companies’ supply chain involve up to a five-digit number suppliers that are only first-tier ones. As the complete value chain might comprise even more parties, we strongly urge to reconsider such a general requirement as we believe it can hardly be complied with by undertakings.

Collecting data on the value chain is a major challenge. As addressed in ESRS 1 as well we ask EFRAG to consider a risk-based-approach regarding information that should be collected throughout the value chain. Such a risk-based approach is already inherent in the proposal for a Directive on corporate sustainability due diligence.

F:

In general, we think the proposed disclosures can be verified and assured, considered individually. However, since the requirements in this standard (and the other standards likewise) are numerous, detailed, and very specific, we have doubts on the verifiability of all new disclosures given the timetable of the European Commission. Furthermore, this question cannot be answered for the entire standard, but only for the specific disclosure requirements.

We would like to point out that the auditor will not make a statement on the accuracy of the sustainability disclosures, but on the audited process regarding the collection and monitoring of these disclosures. This understanding is important to prevent the possible expectation gap.

General:

It should be reviewed where resource flow issues are already covered in E2, E3 and other Topical Standards.

It is very demanding to determine the impacts, risks and opportunities of resource use and the circular economy without established procedures. The (initial) review of the entire (!) business model, the entire value chain is very time-consuming. It makes sense to first examine resource-intensive business areas and check where there is potential in the further development from a linear to a circular economy. Here, the link to E2 should be seen in particular, where all wastes related to air, water and earth are generally

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"/> |
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|----------------------------------------------------------------------------------------------------|-----------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
| 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 checked="" 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 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 type="radio"/> | <input checked="" type="radio"/> |
| H. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" 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 checked="" 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 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

H, I:

Please see the comment in the separately uploaded document, due to the character limit of 5000 characters.

J:

Our reasoning is based on the view that alignment of ESRS with the ISSB standards should take priority when aligning with international standards. In general, we believe that the difference in the underlying principles for ESRS and IFRS SDS, i.e., the double materiality concept and the enterprise value perspective, and the different set of stakeholder groups assumed, may give rise to doubts as to whether sufficient alignment of the standards can be achieved at all. Therefore, a further detailed analysis would be needed. However, we note that the basis for conclusions on ED ESRS S1 contains a high-level discussion on the sources that have been considered for the development of the Disclosure Requirements, including international Human Rights instruments. The Basis for Conclusions has been published late in the consultation process. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “aligned as possible” to international sustainability standards.

B:

In our view, to result in relevant information, the disclosure requirement needs to address meaningful content but in addition it needs to strike the appropriate balance regarding the extent/volume of information required by the DR. Information overload results in less relevant information. For this reason, the majority of our Financial Reporting Technical Committee considers some disclosure requirements to be too detailed and lead to information overload and thus, result in the disclosure of less relevant information.

F:

In general, we think the proposed disclosures can be verified and assured, considered individually. However, since the requirements in ESRS S1 (and the other standards likewise) are numerous, detailed, and very specific, we have doubts on the verifiability of all new disclosures given the timetable of the European Commission. Furthermore, this question cannot be answered for the entire standard, but only for the specific disclosure requirements.

We would like to point out that the auditor will not make a statement on the accuracy of the sustainability disclosures, but on the audited process regarding the collection and monitoring of these disclosures. This understanding is important to prevent the possible expectation gap regarding the relevance / verifiability of information. With this respect, please refer to our comments to Q16 of the survey 1B.

Further, we would like to point out the issue of data protection: German companies may have difficulties to comply with the provisions under the DR S1-19 because of the legal data protection regulations. An employee is not required to inform the employer of his/her disability and degree of disability. Since this information is voluntary, it is not possible for the company to reliably collect the data necessary to comply with the proposed DR S1-19. Also in other countries, e.g., China, such a data is considered highly sensitive.

G:

The majority of the ASCG Sustainability Reporting Technical Committee has significant concerns on the depth and granularity of some disclosure requirements proposed. Although we consider the own workforce to be one of the most pressing sustainability aspects, we doubt that undertakings will be in the position to adhere to these requirements properly. We think this is true even for those who have gained experience in sustainability reporting, either through preparing voluntary reports or through the NFRD requirements. The dialogue with our constituency has revealed that undertakings will need significant more time for the implementation of the complete package of requirements. In any other case, most of the undertakings will not be able to comply with the standards once they become effective. Furthermore, the general inclusion of the total upstream and downstream value chain in the reporting boundaries significantly increases the complexity and the burden put to undertakings. Therefore, we urge EFRAG and the European Commission to consider that requirements that cannot be complied with in time are meaningless and without any substance. Because of the timetable directed by the European Commission and our concerns, we have reservations as to whether the standards (including ESRS S1) will support the production of disclosures that are relevant, understandable, representative, comparable, presented in a faithful manner.

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
4. 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’:

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 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 type="radio"/> | <input type="radio"/> | <input checked="" 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 checked="" 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 checked="" type="radio"/> |

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|----------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|-----------------------|-----------------------|----------------------------------|
| H. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" 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 checked="" 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 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

H, I:

Please see the comment in the separately uploaded document, due to the character limit of 5000 characters.

J:

Our reasoning is based on the view that alignment of ESRS with the ISSB standards should take priority when aligning with international standards. In general, we believe that the difference in the underlying principles for ESRS and IFRS SDS, i.e., the double materiality concept and the enterprise value perspective, and the different set of stakeholder groups assumed, may give rise to doubts as to whether sufficient alignment of the standards can be achieved at all. Therefore, a further detailed analysis would be needed. However, we note that the basis for conclusions on ED ESRS S2 contains a high-level discussion on the sources that have been considered for the development of the Disclosure Requirements, including international Human Rights instruments. The Basis for Conclusions has been published late in the consultation process. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “aligned as possible” to international sustainability standards.

B:

In our view, to result in relevant information, the disclosure requirement needs to address meaningful content but in addition it needs to strike the appropriate balance regarding the extent/volume of information required by the DR. Information overload results in less relevant information. For this reason, the majority of our Financial Reporting Technical Committee considers some disclosure requirements to be too detailed and lead to information overload and thus, result in the disclosure of less relevant information.

F:

In general, we think the proposed disclosures can be verified and assured, considered individually. However, since the requirements in ESRS S2 (and the other standards likewise) are numerous, detailed, and very specific, we have doubts on the verifiability of all new disclosures given the timetable of the European Commission. Furthermore, this question cannot be answered for the entire standard, but only for the specific disclosure requirements.

Not only the data collection to meet the reporting requirements (see comments to part H), but also the auditing will be a significant cost factor for companies. We considered this point in our assessment of part F. We would like to point out that the auditor will not make a statement on the accuracy of the sustainability disclosures, but on the audited process regarding the collection and monitoring of these disclosures. This understanding is important to prevent the possible expectation gap regarding the relevance / verifiability of

information. With this respect, please refer to our comments to Q16 of the survey 1B.

The disclosure requirements regarding information in the value chain also pose great challenges for auditors.

G:

The majority of the ASCG Sustainability Reporting Technical Committee has significant concerns on the depth and granularity of some disclosure requirements proposed. Although we consider all social standards to be very important, we doubt that undertakings will be in the position to adhere to all requirements properly. We think this is true even for those who have gained experience in sustainability reporting, either through preparing voluntary reports or through the NFRD requirements. The dialogue with our constituency has revealed that undertakings will need significant more time for the implementation of the complete package of requirements. In any other case, most of the undertakings will not be able to comply with the standards once they become effective. Furthermore, the general inclusion of the total upstream and downstream value chain in the reporting boundaries significantly increases the complexity and the burden put to undertakings. Therefore, we urge EFRAG and the European Commission to consider that requirements that cannot be complied with in time are meaningless and without any substance. Because of the timetable directed by the European Commission and our concerns, we have reservations as to whether the standards (including ESRS S2) will support the production of disclosures that are relevant, understandable, representative, comparable, presented in a faithful manner.

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 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 type="radio"/> | <input type="radio"/> | <input checked="" 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 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 type="radio"/> | <input checked="" type="radio"/> |
| H. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" 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 checked="" 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 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

H, I:

Please see the comment in the separately uploaded document, due to the character limit of 5000 characters.

J:

Our reasoning is based on the view that alignment of ESRS with the ISSB standards should take priority when aligning with international standards. In general, we believe that the difference in the underlying principles for ESRS and IFRS SDS, i.e., the double materiality concept and the enterprise value perspective, and the different set of stakeholder groups assumed, may give rise to doubts as to whether sufficient alignment of the standards can be achieved at all. Therefore, a further detailed analysis would be needed. However, we note that the basis for conclusions on ED ESRS S3 contains a high-level discussion on the sources that have been considered for the development of the Disclosure Requirements, including international Human Rights instruments. The Basis for Conclusions has been published late in the consultation process. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “aligned as possible” to international sustainability standards.

B:

In our view, to result in relevant information, the disclosure requirement needs to address meaningful content but in addition it needs to strike the appropriate balance regarding the extent/volume of information required by the DR. Information overload results in less relevant information. For this reason, the majority of our Financial Reporting Technical Committee considers some disclosure requirements to be too detailed and lead to information overload and thus, result in the disclosure of less relevant information.

F:

In general, we think the proposed disclosures can be verified and assured, considered individually. However, since the requirements in ESRS S3 (and the other standards likewise) are numerous, detailed, and very specific, we have doubts on the verifiability of all new disclosures given the timetable of the European Commission. Furthermore, this question cannot be answered for the entire standard, but only for the specific disclosure requirements.

Not only the data collection to meet the reporting requirements (see comments to part H), but also the auditing will be a significant cost factor for companies. We considered this point in our assessment of part F. We would like to point out that the auditor will not make a statement on the accuracy of the sustainability disclosures, but on the audited process regarding the collection and monitoring of these disclosures. This understanding is important to prevent the possible expectation gap regarding the relevance / verifiability of information. With this respect, please refer to our comments to Q16 of the survey 1B.

G:

The majority of the ASCG Sustainability Reporting Technical Committee has significant concerns on the depth and granularity of some disclosure requirements proposed. Although we consider all social standards to be very important, we doubt that undertakings will be in the position to adhere to all requirements properly. We think this is true even for those who have gained experience in sustainability reporting, either through preparing voluntary reports or through the NFRD requirements. The dialogue with our constituency has revealed that undertakings will need significant more time for the implementation of the complete package of requirements. In any other case, most of the undertakings will not be able to comply with the standards once they become effective. Furthermore, the general inclusion of the total upstream and downstream value chain in the reporting boundaries significantly increases the complexity and the burden put to undertakings. Therefore, we urge EFRAG and the European Commission to consider that requirements that cannot be complied with in time are meaningless and without any substance. Because of the timetable directed by the European Commission and our concerns, we have reservations as to whether the standards (including ESRS S3) will support the production of disclosures that are relevant, understandable, representative, comparable, presented in a faithful manner.

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 type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
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|----------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|
| 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 checked="" 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 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 type="radio"/> | <input checked="" type="radio"/> |
| H. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" 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 checked="" 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 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

H, I:

Please see the comment in the separately uploaded document, due to the character limit of 5000 characters.

J:

Our reasoning is based on the view that alignment of ESRS with the ISSB standards should take priority when aligning with international standards. In general, we believe that the difference in the underlying principles for ESRS and IFRS SDS, i.e., the double materiality concept and the enterprise value perspective, and the different set of stakeholder groups assumed, may give rise to doubts as to whether sufficient alignment of the standards can be achieved at all. Therefore, a further detailed analysis would be needed. However, we note that the basis for conclusions on ED ESRS S4 contains a high-level discussion on the sources that have been considered for the development of the Disclosure Requirements, including international Human Rights instruments. The Basis for Conclusions has been published late in the consultation process. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “aligned as possible” to international sustainability standards.

B:

In our view, to result in relevant information, the disclosure requirement needs to address meaningful content but in addition it needs to strike the appropriate balance regarding the extent/volume of information required by the DR. Information overload results in less relevant information. For this reason, the majority of our Financial Reporting Technical Committee considers some disclosure requirements to be too detailed and lead to information overload and thus, result in the disclosure of less relevant information.

F:

In general, we think the proposed disclosures can be verified and assured, considered individually. However, since the requirements in ESRS S4 (and the other standards likewise) are numerous, detailed, and very specific, we have doubts on the verifiability of all new disclosures given the timetable of the European Commission. Furthermore, this question cannot be answered for the entire standard, but only for the specific disclosure requirements.

Not only the data collection to meet the reporting requirements (see comments to part H), but also the auditing will be a significant cost factor for companies. We considered this point in our assessment of part F. We would like to point out that the auditor will not make a statement on the accuracy of the sustainability disclosures, but on the audited process regarding the collection and monitoring of these disclosures. This understanding is important to prevent the possible expectation gap regarding the relevance / verifiability of information. With this respect, please refer to our comments to Q16 of the survey 1B.

G:

The majority of the ASCG Sustainability Reporting Technical Committee has significant concerns on the depth and granularity of some disclosure requirements proposed. Although we consider all social standards to be very important, we doubt that undertakings will be in the position to adhere to all requirements properly. We think this is true even for those who have gained experience in sustainability reporting, either through preparing voluntary reports or through the NFRD requirements. The dialogue with our constituency has revealed that undertakings will need significant more time for the implementation of the complete package of requirements. In any other case, most of the undertakings will not be able to comply with the standards once they become effective. Furthermore, the general inclusion of the total upstream and downstream value chain in the reporting boundaries significantly increases the complexity and the burden put to undertakings. Therefore, we urge EFRAG and the European Commission to consider that requirements that cannot be complied with in time are meaningless and without any substance. Because of the timetable directed by the European Commission and our concerns, we have reservations as to whether the standards (including ESRS S4) will support the production of disclosures that are relevant, understandable, representative, comparable, presented in a faithful manner.

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

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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 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 checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" 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 checked="" 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 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

General:

- Agreement with these general governance disclosure requirements in ED ESRS G1. We support EFRAG's approach to include in ESRS general governance related disclosure requirements (G1) as well as governance information specifically with regard to sustainability matters (GOV1-GOV5, G2). Governance as a reporting area is an excellent example for the need of integrated reporting (a differentiation between governance in general on the one side and sustainability governance on the other side seems artificial and

does not support an integrative approach, i.e., consideration of sustainability throughout the whole undertaking's organization).

- Therefore, we ask the European Commission to reconsider the final Level 1 regulation regarding governance aspects: unfortunately, the final CSRD does not any more reflect this overall governance approach but limits governance aspects to sustainability related matters. This restriction is not supportive of an integrative sustainability approach which fosters addressing sustainability matters throughout all parts of an undertaking's organization.
- While we support including general governance disclosures as laid out in ED ESRS G1, we however, suggest a different structure for governance aspects requirements within ESRS. We suggest integrating these general requirements with the sustainability related governance aspects in ED ESRS 2 GOV1-GOV5. This approach will avoid duplication within ESRS which otherwise are burdensome and result in less understandable, and less comprehensible governance disclosures.
- In addition, there are many EU requirements currently in place with regard to governance disclosures. It is therefore essential to align the final ESRS requirements with other EU requirements. Currently, numerous other governance-related requirements will co-exist with ESRS resulting in a duplication of governance disclosures for certain undertakings (e.g., Art. 20 of the Accounting Directive, Shareholder Value Directive). Due to the different characters of these requirements they will not only duplicate governance information, but will be disclosed in different places of the undertakings' company reporting with different levels of assurance.
- Considering the current restriction in the CSRD we urge EFRAG to nevertheless retain general information on governance and allow undertakings to pursue – on a voluntary base – an integrated governance reporting approach. If ED ESRS G1 were not to be included in the requirements for undertakings reporting under the CSRD it could nevertheless be included in the final ESRS for undertakings to have a reasonable framework for general governance aspects. This concept would be in line with the considerations in Recital (51) of the CSRD with regard to the Corporate Governance Statement; but it should not be limited to the Corporate Governance Statement.
- Furthermore, the sustainability related governance aspects should be framed in a way to allow for a potential smooth enhancement to include general governance aspects at a later point in time. For this to be the case it could be helpful to place all governance aspects in a separate standard (instead of within ESRS 2) – with governance including strategy, risk management system and the internal control system.

F:

In general, we think the proposed disclosures can be verified and assured, considered individually. However, since the requirements in the ED ESRS are numerous, detailed, and very specific, we have doubts on the verifiability of all new disclosures given the timetable of the European Commission. Furthermore, this question cannot be answered for the entire standard, but only for the specific disclosure requirements. We would like to point out that the auditor will not make a statement on the accuracy of the sustainability disclosures, but on the audited process regarding the collection and monitoring of these disclosures. This understanding is important to prevent the possible expectation gap.

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

| | 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 type="radio"/> | <input checked="" 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 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 checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" 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 checked="" 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 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

General:

- In general, we agree with these disclosure requirements in ED ESRS G2.
- However, some of these requirements should be reviewed and revised to adjust the level of granularity and to consider different sector-agnostic indicators:
- We do not consider ED ESRS G2 DR10 Payment practices an information that is relevant across sectors. We recommend considering this disclosure for specific sectors instead.
- Again, (as pointed out with regard to ED ESRS G1) ED ESRS G2 needs to be aligned with the other existing EU regulation on these aspects (e.g., Money Laundering Directive) to avoid duplication (or even varying information on the same aspect).

F:

In general, we think the proposed disclosures can be verified and assured, considered individually. However, since the requirements in the ED ESRS are numerous, detailed, and very specific, we have doubts on the verifiability of all new disclosures given the timetable of the European Commission. Furthermore, this question cannot be answered for the entire standard, but only for the specific disclosure requirements. We would like to point out that the auditor will not make a statement on the accuracy of the sustainability disclosures, but on the audited process regarding the collection and monitoring of these disclosures. This understanding is important to prevent the possible expectation gap.

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?

We propose to establish a procedure that allows for an easier transformation to the application of EFRS. This could include a general phase-in-approach. This could however, similar to a phase-in-approach also allow extensive simplifications for first time adopters. As a first step first time adopters would be required to disclose Principal Adverse Impact Indicators as required by SFDR as well as apply the general concept and disclose cross-cutting information according to ESRS 1, ESRS 2 and overall governance information of ESRS G1. In addition, first-time applicants would have to adhere to ESRS E1 Climate change as well as to ESRS S1 Own workforce. These disclosures would be a basis from which to expand the disclosures after the first-time application.

Please explain why

Article 19b paragraph 1(a) of the CSRD proposal requires the Commission to “at least” specify information corresponding to the needs of financial market participants subject to the disclosure obligations of SFDR ((EU) 2019/2088). This information is therefore critical and essential. However, disclosures with regard to climate change, to own workforce and to governance have been identified by stakeholders as critical to push the transformation towards a sustainable economy. Therefore, we urge EFRAG to give the highest priority to ESRS E1, ESRS S1 und ESRS G1 (under consideration of the global baseline being established by the ISSB). Furthermore, as the two cross-cutting standards (ESRS 1 and ESRS 2) are designed to provide the fundamentals for an undertaking’s sustainability reporting, we suggest giving them equal priority. The other standards should become subject to later steps of processing the ESRS.

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?

Voluminous scope and granularity of the proposed ESRS disclosure requirements in conjunction with the very tight timeline for their application of this voluminous scope is challenging for all undertakings. Therefore, the new set of ESRS will be a huge challenge in general. Therefore, as already explained in our answer to question Q53, we are clearly in favour of a phasing-in approach that would give undertakings sufficient capacity and time to apply the new provisions: Disclosing Principal Adverse Impact Indicators as required by SFDR, ESRS 1, ESRS 2, ESRS E1, ESRS S1 and ESRS G1. In our understanding, this phasing-in approach would be consistent with the CSRD in the version of the compromise text of June 21, 2022. This proposed phasing-in approach is not intended to be a prioritisation implying that the other topical ESRS are less acute in terms of their sustainability-related impacts. However, in some cases there are less robust processes and methods for data collection in place. These could be remedied in the next step. The proposed prioritization is therefore intended to give reporting entities some time to adjust to the new disclosure requirements in order to build internal resources and competencies and to disclosure high-quality data. Companies should start developing reporting systems immediately so that reporting capability is in place as soon as possible.

We do not think that singling out a number of disclosure requirements that appear challenging is a preferable approach. Instead, we recommend following a broader concept to phase-in all the disclosure requirements in order to allow a smoother transition / high quality data for sustainability reports.

To give an example of challenges applying just one proposed ESRS, namely Draft ESRS E4 Biodiversity and Ecosystems:

Within the environmental standards, we see the biodiversity as the highly prioritised issue after climate change. A Standard for biodiversity is needed urgently as biodiversity breakdown looms and could lead to global food insecurity and political instability.

However we are of the view that disclosure requirements proposed in Draft ESRS E4 are challenging to meet as this standard requires (1) significant partially unavailable new data, (2) very limited knowledge on the topic available in financial sector and real economy, (3) wording taking nearly straight from climate regulation which took some time to develop but this also allowed capacity and data building which has not yet happened for biodiversity (biodiversity is significantly more complex than climate), (4) assessment of the whole value chain is a huge effort.

While requirements are comprehensive, standards and guidelines on how to measure and what exactly to measure are vague. Application guidance refers to databases and tools that are not ready to use yet (e. g. AG 30). This can lead to enormous effort and frustration in the private sector, leading to unnecessary pushback that could be avoided if methodologies are more clearly defined.

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?

In addition to our proposal for phasing-in as explained in our answer on question Q54, we advocate for an extension of the process in terms of time – consultation period as well as analysing the consultation feedback and performing redeliberations by EFRAG - for the development of the standards, other than

ESRS E1, ESRS S1 and ESRS G1 and the cross-cutting standards (ESRS 1 and ESRS 2). Ensuring high-quality ESRS should be the overall objective of EFRAG. To follow up on our example in Q54 regarding the Draft ESRS E4, we believe it is mandatory to give stakeholders enough time to respond with sufficient depth on the proposed disclosure requirements as well as to give EFRAG enough time for proper analysis of these responses. Only in this way the future standard will be able to meet the objectives defined in paragraph 1 of the Draft ESRS E4.

As step two of the phasing-in approach we recommend the following implementation of the topical standards ESRS E2-E5, ESRS S2-S4 and ESRS G2, depending on the final effective date of the CSRD:

- one year after the effective date of the CSRD, if staggered effective date will be adopted, or
- two years, if no staggered effective date will be adopted.

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?

Please refer to our answer on question Q55.

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

Future amendments to ESRS should include clear transitional provisions, including presenting comparative information in respect of the preceding period to ensure comparability over time.

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

[42f1e582-4105-4747-86c7-16cbd4e4965a/ASCG_Consultation_Survey_1_Annex.pdf](#)
[a7d90e6f-26cc-41b0-871d-bda23541d587/ASCG_Coverletter.pdf](#)

Contact

[Contact Form](#)

ASCG • Joachimsthaler Str. 34 • 10719 Berlin

**Sustainability Reporting Technical
Committee**

Phone: +49 (0)30 206412-12

E-Mail: info@drsc.de

Berlin, 06 August 2022

EFRAG Consultation on European Sustainability Reporting Standards: Separate comments due to the character limit of 5000 characters.

ESRS 2 – General, strategy, governance and materiality assessment

H:

- Regarding the ED ESRS 2 DR IRO1 and IRO2 materiality assessment: The general inclusion of the value chain for sustainability reporting results in high burden for undertakings that we doubt justifies the benefits of that approach. EFRAG should be aware of the fact that many undertakings' supply chain involve up to a five-digit number of (only first-tier) suppliers. As the complete value chain might comprise even more parties, we strongly urge to reconsider such a general requirement as we believe it can hardly be complied with by undertakings.
- Collecting data on the value chain is a major challenge.
- As addressed in ESRS 1 we ask EFRAG to consider a **risk-based-approach** regarding information that should be collected throughout the value chain. Such a risk-based approach is already inherent in the proposal for a Directive on corporate sustainability due diligence.

F:

In general, we think the proposed disclosures can be verified and assured, considered individually. However, since the requirements in the ED ESRS are numerous, detailed, and very specific, we have doubts on the verifiability of all new disclosures given the timetable of the European Commission. Furthermore, this question cannot be answered for the entire standard, but only for the specific disclosure requirements.

We would like to point out that the auditor will not make a statement on the accuracy of the sustainability disclosures, but on the audited process regarding the collection and monitoring of these disclosures. This understanding is important to prevent the possible expectation gap.

Contact:

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Georg Lanfermann
Vice President:
Prof Dr Sven Morich

ESRS E1 – Climate change

B, C, D, E:

We have strong concerns on the depth and granularity of the disclosure requirements. Climate is certainly one of the most pressing sustainability aspects, but we doubt that undertakings will be in the position to comply with the requirements properly in time. We think this is true even for those who have gained experience in sustainability reporting. The dialogue with our constituency has revealed that undertakings will need significant more time for the implementation of the complete package of requirements. In any other case, many undertakings will not be able to comply with the standards once they become effective. EFRAG and the Commission should consider that requirements that cannot be complied with in time are meaningless and without substance. Because of the timetable directed by the Commission and our concerns, we have reservations as to whether the standards (including ESRS E1) will support the production of relevant, understandable, representative, comparable disclosures.

H:

Firstly, we note that a **cost-benefit-analysis has not yet been provided** by EFRAG to be assessed by constituents of that consultation. We point out to the fact that the answers collected on question H cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, per se.

In addition, for answering that question we distinguish between (1) undertakings that already have gained experience with climate reporting and (2) those that have not. The first group undertakings have either been in the scope of the NFRD or are already preparing sustainability reports on a voluntary basis. Probably, these undertakings will be better prepared (although not “well prepared” in absolute terms) to comply with the enhanced disclosure requirements, than undertakings of the second group. However, as the second group of undertakings will have the much greater share of all undertakings in scope, **the cost-benefit-aspect appears highly questionable in entirety**, given the high amount of new reporting requirements to be complied with at the same time under the EU Commission’s time schedule.

The general inclusion of the value chain for sustainability reporting results in high burden for undertakings that we doubt justifies the benefits of that exercise. EFRAG should be aware of the fact that many companies’ supply chain involve up to a five-digit number suppliers that are only first-tier ones. As the complete value chain might comprise even more parties, we strongly urge to reconsider such a general requirement as we believe it can hardly be complied with by undertakings.

Collecting data on the value chain is a major challenge. As addressed in ESRS 1 as well we ask EFRAG to consider a risk-based-approach regarding information that should be collected throughout the value chain. Such a risk-based approach is already inherent in the proposal for a Directive on corporate sustainability due diligence.

I:

The reference table in the Basis for Conclusions to the Exposure draft on ESRS E1 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the PTF-ESRS has identified **four sources of EU**

policies and legislation as the basis for developing the requirements proposed. These are (1) the **draft CSRD** as of April 2021, (2) the Commission **Guidelines on non-financial reporting**, (3) the Regulation (EC) No 1221/2009 (**EMAS**), and (4) the **SFDR**. The ASCG further notes that the Basis for Conclusions has been published late in the consultation process, and that the **CSRD was not yet finally adopted** at the time of preparing the feedback on ESRS E1 through this survey (the text of the political agreement between the Council and the European Parliament was published on 30 June, i.e., two months after EFRAG PTF-ESRS had issued the Exposure drafts but five weeks before the end of that consultation). The ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with the sources used as mentioned above. Furthermore, the ASCG was not in the position to assess whether or not the proposed requirements are consistent with **other relevant EU policies/legislation** in addition to those mentioned above.

However, we **recommend EFRAG to consider all relevant EU policies** and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is necessary to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

J:

Our reasoning is based on the view that **alignment of ESRS with the ISSB standards** should **take priority** when aligning with international standards. In general, we believe that the difference in the underlying principles for ESRS and IFRS SDS, i.e., **the double materiality concept and the enterprise value perspective**, and the different set of stakeholder groups assumed, may give rise to **doubts as to whether sufficient alignment** of the standards can be achieved at all. Therefore, a further detailed analysis would be needed. However, we note the basis for conclusions on ED ESRS E1 contains a high-level discussion on the sources that have been considered for the development of the Disclosure Requirements, including IFRS S2. Our response to part J (as well as to part G in questions 23 to 39) is based on that high-level discussion including the EFRAG PTF’s reference table in the BfC on ESRS E1, showing the extent that IFRS S2 has been considered. Our response to J (or G) is based on whether IFRS S2 is flagged “considered”, or “partly considered”, or whether it is not flagged as considered.

ESRS E4 – Biodiversity and ecosystems

F:

In general, we think the proposed disclosures can be verified and assured, considered individually. However, since the requirements in this standard (and the other standards likewise) are numerous, detailed, and very specific, we have doubts on the verifiability of all new disclosures given the timetable of the European Commission. Furthermore, this question cannot be answered for the entire standard, but only for the specific disclosure requirements.

H:

Firstly, we note that a **cost-benefit-analysis has not yet been provided** by EFRAG to be assessed by constituents of that consultation. We point out to the fact that the answers collected on question H cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, per se.

In addition, for answering that question we distinguish between (1) undertakings that already have gained experience with climate reporting and (2) those that have not. The first group undertakings have either been in the scope of the NFRD or are already preparing sustainability reports on a voluntary basis. Probably, these undertakings will be better prepared (although not “well prepared” in absolute terms) to comply with the enhanced disclosure requirements, than undertakings of the second group. However, as the second group of undertakings will have the much greater share of all undertakings in scope, **the cost-benefit-aspect appears highly questionable in entirety**, given the high amount of new reporting requirements to be complied with at the same time under the EU Commission’s time schedule.

The general inclusion of the value chain for sustainability reporting results in high burden for undertakings that we doubt justifies the benefits of that exercise. EFRAG should be aware of the fact that many companies’ supply chain involve up to a five-digit number suppliers that are only first-tier ones. As the complete value chain might comprise even more parties, we strongly urge to reconsider such a general requirement as we believe it can hardly be complied with by undertakings.

Collecting data on the value chain is a major challenge. As addressed in ESRS 1 as well we ask EFRAG to consider a risk-based-approach regarding information that should be collected throughout the value chain. Such a risk-based approach is already inherent in the proposal for a Directive on corporate sustainability due diligence.

ESRS S1 – Own workforce

H:

Firstly, we note that a cost-benefit-analysis has not yet been provided by EFRAG to be assessed by constituents of that consultation. We point out to the fact that the answers collected on question H cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, per se.

In addition, for answering that question we distinguish between (1) undertakings that already have gained experience with sustainability reporting and (2) those that have not. The first group undertakings have either been in the scope of the NFRD or are already preparing sustainability reports on a voluntary basis. Probably, these undertakings will be better prepared (although not “well prepared” in absolute terms) to comply with the enhanced disclosure requirements, than undertakings of the second group. However, as the second group of undertakings will have the much greater share of all undertakings in scope, the cost-benefit-aspect appears highly questionable in entirety, given the high amount of new reporting requirements to be complied with at the same time under the EU Commission’s time schedule. Please see also our answer in the textbox for general comments on Q45.

I:

The reference table in the Basis for Conclusions to the Exposure draft on ESRS S1 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the Basis for Conclusions has been published late in the consultation process, and that the CSRD was not yet finally adopted at the time of preparing the feedback on ESRS S1 through this survey. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with the sources used as mentioned above. Furthermore, the ASCG was not in the position to assess whether or not the proposed requirements are consistent with other relevant EU policies/legislation in addition to those mentioned above.

However, we recommend EFRAG to consider all relevant EU policies and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is imperative to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

Further, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). In addition, it should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

ESRS S2 – Workers in the value chain

H:

Firstly, we note that a cost-benefit-analysis has not yet been provided by EFRAG to be assessed by constituents of that consultation. We point out to the fact that the answers collected on question H cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, per se.

In addition, for answering that question we distinguish between (1) undertakings that already have gained experience with sustainability reporting and (2) those that have not. The first group undertakings have either been in the scope of the NFRD or are already preparing sustainability reports on a voluntary basis. Probably, these undertakings will be better prepared (although not “well prepared” in absolute terms) to comply with the enhanced disclosure requirements, than undertakings of the second group. However, as the second group of undertakings will have the much greater share of all undertakings in scope, the cost-benefit-aspect appears highly questionable in entirety, given the high amount of new reporting requirements to be complied with at the same time under the EU Commission’s time schedule. Please see also our answer in the textbox for general comments on Q46.

The collection of data regarding workers in the value chain appears to be possible in principle. However, this collection will be very difficult and costly since these data - in contrast to the data on entity’s own workforce - are not yet available at the entities or not yet available to the required extent. Further, not only the data collection to meet the reporting requirements, but also the auditing will be a significant cost factor for companies, which is mandatory to consider in the cost-benefit analysis of each disclosure requirement as well as of the entire standard.

I:

The reference table in the Basis for Conclusions to the Exposure draft on ESRS S2 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the Basis for Conclusions has been published late in the consultation process, and that the CSRD was not yet finally adopted at the time of preparing the feedback on ESRS S1 through this survey. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with the sources used as mentioned above. Furthermore, the ASCG was not in the position to assess whether or not the proposed requirements are consistent with other relevant EU policies/legislation in addition to those mentioned above.

However, we recommend EFRAG to consider all relevant EU policies and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is imperative to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

Further, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). In



addition, it should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

ESRS S3 – Affected communities

H:

Firstly, we note that a cost-benefit-analysis has not yet been provided by EFRAG to be assessed by constituents of that consultation. We point out to the fact that the answers collected on question H cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, per se.

In addition, for answering that question we distinguish between (1) undertakings that already have gained experience with sustainability reporting and (2) those that have not. The first group undertakings have either been in the scope of the NFRD or are already preparing sustainability reports on a voluntary basis. Probably, these undertakings will be better prepared (although not “well prepared” in absolute terms) to comply with the enhanced disclosure requirements, than undertakings of the second group. However, as the second group of undertakings will have the much greater share of all undertakings in scope, the cost-benefit-aspect appears highly questionable in entirety, given the high amount of new reporting requirements to be complied with at the same time under the EU Commission’s time schedule. Please see also our answer in the textbox for general comments on Q47.

The collection of data regarding workers in the value chain appears to be possible in principle. However, this collection will be very difficult and costly since these data - in contrast to the data on entity’s own workforce - are not yet available at the entities or not yet available to the required extent. Further, not only the data collection to meet the reporting requirements, but also the auditing will be a significant cost factor for companies, which is mandatory to consider in the cost-benefit analysis of each disclosure requirement as well as of the entire standard.

I:

The reference table in the Basis for Conclusions to the Exposure draft on ESRS S3 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the Basis for Conclusions has been published late in the consultation process, and that the CSRD was not yet finally adopted at the time of preparing the feedback on ESRS S3 through this survey. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with the sources used as mentioned above. Furthermore, the ASCG was not in the position to assess whether or not the proposed requirements are consistent with other relevant EU policies/legislation in addition to those mentioned above.

However, we recommend EFRAG to consider all relevant EU policies and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is imperative to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

Further, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). In



addition, it should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

ESRS S4 – Consumers and end-users

H:

Firstly, we note that a cost-benefit-analysis has not yet been provided by EFRAG to be assessed by constituents of that consultation. We point out to the fact that the answers collected on question H cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, per se.

In addition, for answering that question we distinguish between (1) undertakings that already have gained experience with sustainability reporting and (2) those that have not. The first group undertakings have either been in the scope of the NFRD or are already preparing sustainability reports on a voluntary basis. Probably, these undertakings will be better prepared (although not “well prepared” in absolute terms) to comply with the enhanced disclosure requirements, than undertakings of the second group. However, as the second group of undertakings will have the much greater share of all undertakings in scope, the cost-benefit-aspect appears highly questionable in entirety, given the high amount of new reporting requirements to be complied with at the same time under the EU Commission’s time schedule. Please see also our answer in the textbox for general comments on Q48.

The collection of data regarding workers in the value chain appears to be possible in principle. However, this collection will be very difficult and costly since these data - in contrast to the data on entity’s own workforce - are not yet available at the entities or not yet available to the required extent. Further, not only the data collection to meet the reporting requirements, but also the auditing will be a significant cost factor for companies, which is mandatory to consider in the cost-benefit analysis of each disclosure requirement as well as of the entire standard.

I:

The reference table in the Basis for Conclusions to the Exposure draft on ESRS S4 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the Basis for Conclusions has been published late in the consultation process, and that the CSRD was not yet finally adopted at the time of preparing the feedback on ESRS S1 through this survey. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with the sources used as mentioned above. Furthermore, the ASCG was not in the position to assess whether or not the proposed requirements are consistent with other relevant EU policies/legislation in addition to those mentioned above.

However, we recommend EFRAG to consider all relevant EU policies and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is imperative to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

Further, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). In



addition, it should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

EFRAG Sustainability Reporting Board Consultation Survey 2

Fields marked with * are mandatory.



EFRAG Sustainability Reporting Board Consultation Surveys 3A - 3D

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

EFRAG Sustainability Reporting Board Consultation Survey 2

Respondent Profile

1. Personal details

* Organisation name

ASCG

* First name

Marco

* Surname

Götze

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

goetze@drsc.de

* Country of origin

Germany

*** 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

3A. Adequacy of Disclosure Requirements - Cross cutting standards (1/2)

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

- when sharing comments on a given Disclosure Requirement, and as much as possible, reference to the specific paragraphs being commented on should be included in the written comments,
- in the question 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.

A complete index of Disclosure Requirements and their corresponding Application Guidance can be found in Appendix I – Navigating the ESRS.

DR 2-GR 1 – General characteristics of the sustainability reporting of the undertaking

The undertaking shall give general information about (i) its sustainability report, and (ii) the structure of its sustainability statement.

The principle to be followed under this disclosure requirement is to give the necessary context of the sustainability reporting of the undertaking.

Q1: Please, rate to what extent do you think DR 2-GR 1 – General characteristics of the sustainability reporting of the undertaking

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

F:

Need for Integrated Reporting Option

- ESRS 1 ch. 6.2 provides three options to present ESRS-disclosures, none of these options allow for an integrated sustainability reporting approach
- In the FA NB's letter to EFRAG of 29 March 2022 we emphasized the importance of an integrated reporting option as an integrated sustainability reporting approach stands for a connection and equal importance of financial and sustainability reporting, it stands for integration of sustainability matters throughout the organisation and down to the operational level of the entity; companies and stakeholders alike acknowledge the better understanding of the entity's strengths, weaknesses, opportunities, and threats through integrated reporting.
- As also laid out in our consultation survey 1A "Architecture" we would like to again emphasize the need for an integrated reporting option within ch. 6.2 of ESRS 1.

G:

Need for Integrated Reporting Option

- IFRS S1 allows for an integrated reporting; alignment through integrated reporting option within ch. 6.2 of ESRS 1

A and D:

See our comments regarding Part F

Need for Integrated Reporting Option

- ESRS 1 ch. 6.2 provides three options to present ESRS-disclosures, none of these options allow for an integrated sustainability reporting approach
- In the FA NB's letter to EFRAG of 29 March 2022 we emphasized the importance of an integrated reporting option as an integrated sustainability reporting approach stands for a connection and equal importance of financial and sustainability reporting, it stands for integration of sustainability matters throughout the organisation and down to the operational level of the entity; companies and stakeholders alike acknowledge the better understanding of the entity's strengths, weaknesses, opportunities, and threats through integrated reporting.
- As also laid out in our consultation survey 1A "Architecture" we would like to again emphasize the need for an integrated reporting option within ch. 6.2 of ESRS 1.

Minor comment

- par 5(b) requires confirmation that reporting scope for sustainability reporting is identical to scope for consolidated financial statements (ESRS 1): according to ESRS 1 (para 63 ff.) reporting boundaries of sustainability reporting are different compared to financial reporting; therefore, clarification would be helpful that ESRS 2 par 5(b) addresses reporting entity (not reporting boundaries).

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GR 2 – Sector(s) of activity

The undertaking shall provide a description of its significant activities, headcount and revenue. The principle to be followed under this disclosure requirement is to allow an understanding of the distribution of the undertaking's activities by reference to a common sector definition.

Q2: Please, rate to what extent do you think DR 2-GR 2 – Sector(s) of activity

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

A, D, E:

- support for information on sector specific activities

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GR 3 – Key features of the value chain

The undertaking shall describe its value chain.

The principle to be followed under this disclosure requirement is to provide an understanding of the value chain in which the undertaking operates, from the initial inputs into a product or service, in the upstream supply chain, to its downstream delivery to end-users, including ultimate disposal, recycling or reuse for physical products.

Q3: Please, rate to what extent do you think DR 2-GR 3 – Key features of the value chain

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

F:

- support for information on key features of the value chain
- AG14 is too detailed when asking for information on “the main groups of business relationships together with the related underlying contractual terms (including relevant rights and obligations)”, often contractual terms are subject to confidentiality clauses

A:

see identical comments above (Part E)

- support for information on key features of the value chain
- AG14 is too detailed when asking for information on “the main groups of business relationships together with the related underlying contractual terms (including relevant rights and obligations)”, often contractual terms are subject to confidentiality clauses

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GR 4 – Key drivers of the value creation

The undertaking shall describe how it creates value.

The principle to be followed under this disclosure requirement is to provide an understanding of the key drivers of value creation the undertaking is leveraging to contribute to the overall performance of the value chain it operates in taking account of the respective interests of all stakeholders.

Q4: Please, rate to what extent do you think DR 2-GR 4 – Key drivers of the value creation

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GR 5 – Using approximations on the disclosure in relation to boundary and value chain

Following the principle on boundaries and value chain of ESRS 1 when the undertaking has used peer group information or sector data to approximate missing data due to impracticability, it shall disclose:

1. Its basis for preparation for the relevant disclosure and indicators, including the scope for which an approximation has been used; and
2. The planned actions to reduce missing data in the future.

Q5: Please, rate to what extent do you think DR 2-GR 5 – Using approximations on the disclosure in relation to boundary and value chain

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

- Support for this concept,
- cost-benefit balance might not be reasonable if collection of information from peer group / sector data proves “impracticable” as well

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GR 6 – Disclosing on significant estimation uncertainty

Following the principle of estimating under conditions of uncertainty in ESRS 1, the undertaking shall:

1. identify metrics it has disclosed that have a significant estimation uncertainty, disclose the sources and nature of the estimation uncertainties and the factors affecting the uncertainties, and
2. identify and disclose the sources of significant uncertainty and the factors affecting these sources of uncertainty when explanations of possible effects of a sustainability factor relate to possible future events about which there is significant outcome uncertainty.

Q6: Please, rate to what extent do you think DR 2-GR 6 – Disclosing on significant estimation uncertainty

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
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| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General comment:

Clarify wording of ESRS 2 par 24 as the intended difference of requirements (a) versus (b) remains unclear. Since metrics also rely on estimations about future events it is unclear why this aspect has to be highlighted again in (b).

Furthermore, the limitation to disclosures of uncertainty regarding metrics and possible effects of a sustainability factor seems unreasonable as uncertainty and estimations might be relevant for numerous disclosures in sustainability reports.

DR 2-GR 7 – Changes in preparation and presentation

Following the principle on changes in preparation or presentation of ESRS 1, the undertaking shall explain changes in preparation and presentation by disclosing:

1. the description of the methodology used for the restatement;
2. the difference between the amount reported in the previous period and the revised comparative amount in case of quantitative metrics;
3. the reasons for the change in reporting policy; and
4. if it is impracticable to adjust comparative information for one or more prior periods, the undertaking shall disclose this fact and the reason why.

Q7: Please, rate to what extent do you think DR 2-GR 7 – Changes in preparation and presentation

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GR 8 – Prior period errors

Following the principles on errors in ESRS 1, if applicable, the undertaking shall disclose the following for prior period errors:

1. the nature of prior period errors;
2. for each prior period disclosed, to the extent practicable, the amount of the corrections; and
3. if retrospective restatement is impracticable for a particular period, the circumstances that led to the impracticability and a description of how and when the error was corrected.

Q8: Please, rate to what extent do you think DR 2-GR 8 – Prior period errors

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GR 9 – On other sustainability reporting pronouncements

The undertaking shall disclose if it also reports in full or in part in accordance with generally accepted sustainability reporting pronouncements of other standard setting bodies and non-mandatory guidance including sector-specific, in addition to its report prepared according to ESRS. It shall disclose if such reporting is included in its sustainability statements.

Q9: Please, rate to what extent do you think DR 2-GR 9 – On other sustainability reporting pronouncements

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

See also explanations regarding Part C.

The sustainability reports prepared in accordance with ESRS are subject to audit procedures (limited assurance). ESRS 2 par. 27 asks undertakings to disclose if – within the ESRS sustainability report – they also report “in full or in part in accordance with” other sustainability standards. Since ESRS sustainability reports are subject to audit procedures (limited assurance) these procedures necessarily will have to include the verification of other standards. This will increase the audit costs that undertakings will have to bear. In our view it needs to be clarified if ESRS 2 in fact indeed intends to extend the required audit procedures to other sustainability standards (thereby significantly increasing auditing costs). We strongly encourage EFRAG to clarify in ESRS 2.27 that it does not extend the audit procedures to other sustainability reporting pronouncements. EFRAG then will have to find a wording different to “in accordance with” and explain (e.g. in the BC) its rationale behind ESRS 2.27.

C:

The sustainability reports prepared in accordance with ESRS are subject to audit procedures (limited assurance). ESRS 2 par. 27 asks undertakings to disclose if – within the ESRS sustainability report – they also report “in full or in part in accordance with” other sustainability standards. Since ESRS sustainability reports are subject to audit procedures (limited assurance) these procedures necessarily will have to include the verification of other standards. This will increase the audit costs that undertakings will have to bear. While auditing procedures are not critical (i.e. this disclosure is verifiable / assured) these additional auditing procedures are very costly.

We therefore like to point out that it is necessary to clarify whether in fact ESRS 2 intends to extend the required audit procedures to other sustainability standards (thereby significantly increasing auditing costs). We strongly encourage EFRAG to clarify in ESRS 2.27 that it does not extend the audit procedures to other sustainability reporting pronouncements. EFRAG then will have to find a wording different to “in accordance with” and explain (e.g., in the BC) its rationale behind ESRS 2.27.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GR 10 – General statement of compliance

The undertaking shall provide a statement of compliance with ESRS.

The principle to be followed under this disclosure requirement is to inform the users about the compliance with ESRS requirements, following mandated disclosure requirements complemented by entity-specific disclosures.

Q10: Please, rate to what extent do you think DR2-GR 10 – General statement of compliance

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

3A. Adequacy of Disclosure Requirements - Cross cutting standards (2/2)

DR 2-SBM 1 – Overview of strategy and business model

The undertaking shall provide a concise description of its strategy and business model as a context for its sustainability reporting.

The principle to be followed under this disclosure requirement is to provide relevant contextual information necessary to understanding the sustainability reporting of the undertaking. It is therefore a reference point for other disclosure requirements.

Q11: Please, rate to what extent do you think DR 2-SBM 1 – Overview of strategy and business model

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

A:

AG28 states: "A specific narrative may be needed if the boundaries of the financial reporting and the sustainability reporting are different and if it has an influence on the understanding of the undertaking's strategy and business model(s). In the latter case, reconciliation tables can be useful." An explanation or an example would be helpful on what kind of reconciliation table is expected for SBM aspects different between financial statement and sustainability report.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-SBM 2 – Views, interests and expectations of stakeholders

An undertaking shall describe how the views, interests and expectations of its stakeholders inform the undertaking's strategy and business model.

The principle to be followed under this disclosure requirement is to provide an understanding of how stakeholders' views, interests and expectations are considered for the undertaking's decision and evolution of its strategy and business model.

Q12: Please, rate to what extent do you think DR 2-SBM 2 – Views, interests and expectations of stakeholders

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

General Remark / A :

ESRS 2.SBM2 (par 38) requires disclosure regarding KEY stakeholders. We suggest including this reference in par 36 as well. To clarify (and align with par 38) that the undertaking shall describe the views, interests and expectations of its KEY stakeholders.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-SBM 3 – Interaction of impacts and the undertaking’ strategy and business model

The undertaking shall describe the interaction between its material impacts and its strategy and business model.

The principle to be followed under this disclosure requirement is to provide an understanding of material impacts on people and the environment and the adaptation of its strategy and business model to such material sustainability impacts.

Q13: Please, rate to what extent do you think DR 2-SBM 3 – Interaction of impacts and the undertaking’ strategy and business model

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

A, E:

The concept of this disclosure requirement (SBM 3) within the ESRS sustainability report is not convincing: disclosure of interaction of all material impacts with the SBM of an undertaking is likely to result in a duplication of the information provided on each material impact in accordance with (other) ESRS. For example, IRO 2 which requires a description of the outcome of the assessment processes by describing – among others – the actual and potential, negative and positive impacts. This seems to duplicate the requirement in ESRS 2.41(a). EFRAG needs to make sure that duplication is avoided.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-SBM 4 – Interaction of risks and opportunities and the undertakings’ strategy and business model

The undertaking shall describe the interaction between its material risks and opportunities and its strategy and business model.

The principle to be followed under this disclosure requirement is to provide an understanding of material risks and opportunities related to sustainability matters that originate from or are connected to the undertakings’ strategy and business model and the adaptation of its strategy and business model to such material risks and opportunities.

Q14: Please, rate to what extent do you think DR 2-SBM 4 – Interaction of risks and opportunities and the undertakings’ strategy and business model

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

A, E:

The concept of this disclosure requirement (SBM 3) within the ESRS sustainability report is not convincing: disclosure of interaction of all material impacts with the SBM of an undertaking is likely to result in a duplication of the information provided on each material impact in accordance with (other) ESRS. For example, IRO 2 which requires a description of the outcome of the assessment processes by describing – among others – the actual and potential, negative and positive impacts as well as sustainability-related financial risks and opportunities (ESRS 2.77(a)i and ii). This seems to duplicate the requirement in ESRS 2.41(a). EFRAG needs to make sure that duplication is avoided.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GOV 1 – Roles and responsibilities of the administrative, management and supervisory bodies

The undertaking shall provide a description of the roles and responsibilities of its governance bodies and management levels with regard to sustainability matters.

The principle to be followed under this disclosure requirement is to provide an understanding of the distribution of sustainability-related roles and responsibilities throughout the undertaking's organisation, from its administrative, management and supervisory bodies to its executive and operational levels, the expertise of its governance bodies and management levels on sustainability matters, and the sustainability-related criteria applied for nominating and selecting their members.

Q15: Please, rate to what extent do you think DR 2-GOV 1 – Roles and responsibilities of the administrative, management and supervisory bodies

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

A, E:

Generally, we agree that undertakings should provide detailed information about its governance structure, composition, processes and the governance bodies in general as well as with regard to sustainability matters. We find it important that both, general governance information and information with regards to sustainability matters are provided.

These requirements are laid out in ESRS 2, ESRS G1 and G2. The resulting disclosures will allow stakeholders to assess how sustainability matters are integrated in the overall governance structure of an undertaking. At the same time this approach supports the transformation towards addressing / considering sustainability matters throughout the undertaking (from the operational level to the governance bodies). We therefore support this integrative approach.

However, this integrative approach towards governance disclosures is not reflected in the structure of the ESRS. ESRS 2-G1 requires governance disclosures “with regard to sustainability matters”. ESRS G1 requires similar disclosures (governance structure/composition). In our opinion it is essential to avoid duplication of disclosures. While we acknowledge that ESRS G1.AG 4 asks undertakings to consider the information provided in ESRS 2-G1 and to avoid duplication it would be more reasonable to integrate disclosures on governance with regard to sustainability matters into the disclosures on general governance structure. By providing these information jointly the undertakings would provide a more coherent picture of their governance and avoid duplication of governance aspects (e.g. roles and responsibilities in general and – separately – with regard to sustainability; competencies in general vs. sustainability-related expertise etc.). Independent of an integrated approach, these requirements for governance disclosures should be aligned regarding the specific wording to assure that similar requirements are worded similarly and not raise questions about a possible different meaning (e.g., ESRS 2.52: mandate, roles, responsibilities, structure of administrative, management and supervisory bodies vs. ESRS G1.14: structure of governance body, roles and key responsibilities of each committee).

Furthermore, the governance structure will depend on the size of the undertaking. The disclosures required (ESRS 2.GOV1.52) expands to employees at the operational level. This is specified in AG39 which refers to sustainability-related responsibilities “cascaded down onto the management level senior executives and other key staff at operational level”. To assure adequate and comprehensive coverage of the sustainability matters all the way up to the governance bodies it might not be appropriate (depending on the companies’ size) to provide information down to the operational level as this might result in information overload.

F:

There are various requirements regarding governance in the European legislation. The development of the CSRD could have provided an opportunity to develop an overarching governance concept for European companies. Instead, the current proposals result in various, parallel requirements with various scopes. For example, Article 20 of the Accounting Directive (Corporate governance statement for listed undertakings) will still co-exist with similar requirements within ESRS. Other EU legislation like the Shareholder rights Directive addresses corporate governance issues as well (e.g., remuneration policies). Furthermore, forthcoming legislation like the Corporate Sustainability Due Diligence Directive includes aspects that ESRS incorporate in their requirements (e.g., Due Diligence process).

As a result, the requirements for governance (reporting) are manifold and partly overlap with ESRS.

Therefore, ESRS is not aligned with other EU governance reporting requirements with regard to governance.

G:

We have only considered the ISSB proposals (IFRS S1) which address sustainability matters only. We agree, however, that the concept of ESRS is different (including governance aspects in general and with regard to sustainability-matters) and therefore an alignment is not intended.

We expect undertakings providing the governance information according to ESRS to generally be in line with IFRS S 1(para 12 et seq) on governance.

H:

See our answer to prioritisation of disclosure requirements. In our opinion, cross-cutting-standards are to be prioritised.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GOV 2 – Information of administrative, management and supervisory bodies about sustainability matters

The undertaking shall describe how its governance bodies are informed about sustainability matters. The principle to be followed under this disclosure requirement is to provide an understanding of how governance bodies and management level senior executives are informed about sustainability-related facts, decisions and/or concerns that are within their responsibility so that they can effectively perform their duties in that respect.

Q16: Please, rate to what extent do you think DR 2- GOV 2 – Information of administrative, management and supervisory bodies about sustainability matters

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

A, E:

We are in favour of this disclosure requirement. We are concerned, however, about the specific requirement in para 56(c) / (d).

(c) requires reporting about “any other sustainability-related concern that may arise and would require the governance bodies’ attention”; this is in addition to the impacts, risks and opportunities disclosed in line with ESRS 2 (ESRS 2.GOV2.56(a)). Apart from “risks” as identified under ESRS it is unclear which “other concerns” EFRAG expects to be presented under ESRS 2.GOV2.56(c). There should at least be specific examples as to what is meant (in addition to risks that are being reported). A general requirement regarding “any other” matter that “may arise” is not specific enough. Also, it is important to be consistent on the materiality-concept: risks / concerns that have been identified as “non material” should not be required to be reported on via additional “catch-it-all-requirements”. We therefore suggest EFRAG to consider deleting this wording in para 56(c)/(d) if it cannot be demonstrated that relevant information (i.e. material information) result from this requirement.

(d) “the steps of the due diligence standard processes that the undertaking follows on a mandatory and/or voluntary basis”: unclear whether this DR relates to information about the due diligence process itself or about the process of how the governance bodies are informed about the due diligence processes. The first case would not fit here; in the second case it seems to be an undue vague requirement to inform about “the due diligence standard processes”.

F:

There are various requirements regarding governance in the European legislation. The development of the CSRD could have provided an opportunity to develop an overarching governance concept for European companies. Instead, the current proposals result in various, parallel requirements with various scopes. For example, Article 20 of the Accounting Directive (Corporate governance statement for listed undertakings) will still co-exist with similar requirements within ESRS. Other EU legislation like the Shareholder rights Directive addresses corporate governance issues as well (e.g., remuneration policies). Furthermore, forthcoming legislation like the Corporate Sustainability Due Diligence Directive includes aspects that ESRS incorporate in their requirements (e.g., Due Diligence process).

As a result, the requirements for governance (reporting) are manifold and partly overlap with ESRS. Therefore, ESRS is not aligned with other EU governance reporting requirements with regard to governance.

G:

We have only considered the ISSB proposals (IFRS S1) which address sustainability matters only. We agree, however, that the concept of ESRS is different (including governance aspects in general and with regard to sustainability-matters) and therefore an alignment is not intended.

We expect undertakings providing the governance information according to ESRS to generally be in line with IFRS S 1(para 12 et seq) on governance.

H:

See our answer to prioritisation of disclosure requirements. In our opinion, cross-cutting-standards are to be prioritised.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GOV 3 – Sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

The undertaking shall provide a description of the sustainability matters that were addressed by its administrative, management and supervisory bodies during the reporting period.

The principle to be followed under this disclosure requirement is to provide information on whether the administrative, management and supervisory bodies were adequately informed of the material sustainability-related impacts, risks and opportunities arising or developing during the reporting period. Equally what information and matters it actually spent time addressing, and whether it was able to fulfil its roles and responsibilities, as defined in its mandate and described under DR 2-GOV 1.

Q17: Please, rate to what extent do you think DR 2- GOV 3 – Sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

A, E:

We are in favour of this disclosure requirement. We recommend, however, to specify that the undertaking should provide a description of “key” sustainability matters.

Furthermore, we are concerned about the specific requirements according to AG47. ESRS 2.GOV3.AG47 refers to the specific matters that the government bodies consider. These include sustainability matters “as well as other issue of critical importance”. Naturally, the government bodies address many matters of critical importance. Therefore, the requirement needs to be specified here. A “catch-it-all” requirement that could result – due to the unspecified wording – in the requirement to report about any and all critical aspects that the governing bodies addressed should be avoided.

Last but not least we understand that – especially considering AG46 – details of the discussions and decisions of the governing bodies are not required to be disclosed. AG46 states “It is not required to necessarily disclose the detailed results of such discussions and decisions.” We find this clarification in AG46 important to ensure that undertakings are not required to disclose sensitive information. We believe the disclosure level required in GOV3 to be comparable with information that – for instance – the supervisory body currently provides about their activities throughout the reporting period. We suggest including the clarification directly within GOV3.

F:

There are various requirements regarding governance in the European legislation. The development of the CSRD could have provided an opportunity to develop an overarching governance concept for European companies. Instead, the current proposals result in various, parallel requirements with various scopes. For example, Article 20 of the Accounting Directive (Corporate governance statement for listed undertakings) will still co-exist with similar requirements within ESRS. Other EU legislation like the Shareholder rights Directive addresses corporate governance issues as well (e.g., remuneration policies). Furthermore, forthcoming legislation like the Corporate Sustainability Due Diligence Directive includes aspects that ESRS incorporate in their requirements (e.g., Due Diligence process).

As a result, the requirements for governance (reporting) are manifold and partly overlap with ESRS. Therefore, ESRS is not aligned with other EU governance reporting requirements with regard to governance.

G:

We have only considered the ISSB proposals (IFRS S1) which address sustainability matters only. We agree, however, that the concept of ESRS is different (including governance aspects in general and with regard to sustainability-matters) and therefore an alignment is not intended.

We expect undertakings providing the governance information according to ESRS to generally be in line with IFRS S 1(para 12 et seq) on governance.

H:

See our answer to prioritisation of disclosure requirements. In our opinion, cross-cutting-standards are to be prioritised.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GOV 4 – Integration of sustainability strategies and performance in incentive schemes

The undertaking shall provide a description of the integration of sustainability strategies and performance in incentive schemes.

The principle to be followed under this disclosure requirement is to provide an understanding of how members of the administrative, management and supervisory bodies are incentivised to properly manage the undertaking' sustainability impacts, risks and opportunities and, along with other employees, to take steps towards implementing the sustainability strategy of the undertaking.

Q18: Please, rate to what extent do you think DR 2- GOV 4 – Integration of sustainability strategies and performance in incentive schemes

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

F:

There are various requirements regarding governance in the European legislation. The development of the CSRD could have provided an opportunity to develop an overarching governance concept for European companies. Instead, the current proposals result in various, parallel requirements with various scopes. For example, Article 20 of the Accounting Directive (Corporate governance statement for listed undertakings) will still co-exist with similar requirements within ESRS. Other EU legislation like the Shareholder rights Directive addresses corporate governance issues as well (e.g., remuneration policies). Furthermore, forthcoming legislation like the Corporate Sustainability Due Diligence Directive includes aspects that ESRS incorporate in their requirements (e.g., Due Diligence process).

As a result, the requirements for governance (reporting) are manifold and partly overlap with ESRS.

Therefore, ESRS is not aligned with other EU governance reporting requirements with regard to governance.

G:

We have only considered the ISSB proposals (IFRS S1) which address sustainability matters only. We agree, however, that the concept of ESRS is different (including governance aspects in general and with regard to sustainability-matters) and therefore an alignment is not intended.

We expect undertakings providing the governance information according to ESRS to generally be in line with IFRS S 1(para 12 et seq) on governance.

H:

See our answer to prioritisation of disclosure requirements. In our opinion, cross-cutting-standards are to be prioritised.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-GOV 5 – Statement on due diligence

The undertaking shall disclose its general assessment regarding how it embeds the core elements of due diligence.

Q19: Please, rate to what extent do you think DR 2- GOV 5 – Integration of sustainability strategies and performance in incentive schemes

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

A:

We consider Due Diligence processes essential for the integration of sustainability related matters in the undertaking's business activities and for its sustainability reporting. However, we do not believe that GOV5 provides meaningful information about the due diligence process in asking undertakings to provide a "mapping that reconciles the main aspects of sustainability due diligence to the relevant disclosures in its sustainability statements".

In evaluating the requirements in ESRS 1 (including Appendix C: Explanations on sustainability due diligence) we believe that ESRS should not describe / prescribe the due diligence process (see ESRS 1 ch. 2.5, App. C). Especially Appendix C defines and lays out due diligence processes. Since the appendices are an integral part of the ESRS it could appear as though the ESRS are extending their area of responsibility. In our understanding other European legislation (e.g., Corporate Sustainability Due Diligence Directive) describes due diligence measures and defines the expectations regarding acceptable due diligence. The concept of "mapping" due diligence disclosures across ESRS within the requirement of GOV5 seems very vague and rudimentary (incl. the example in AG55). For undertakings to point out the various due diligence relevant aspects throughout ESRS seems overly burdensome and to duplicate many disclosures throughout the sustainability reporting.

H:

See our answer to prioritisation of disclosure requirements. In our opinion, cross-cutting-standards are to be prioritised.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-IRO 1 – Description of the processes to identify material sustainability impacts, risks and opportunities

The undertaking shall provide a description of its processes to identify its sustainability impacts, risks and opportunities and assess which ones are material.

The principle to be followed under this disclosure requirement is to provide information on (i) how the undertaking is organising its identification and assessment and (ii) what is in the scope of its identification and assessment of sustainability matters.

Q20: Please, rate to what extent do you think DR 2-IRO 1 – Description of the processes to identify material sustainability impacts, risks and opportunities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

H:

See our answer to prioritisation of disclosure requirements. In our opinion, cross-cutting-standards are to be prioritised.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR 2-IRO 2 – Outcome of the undertaking’s assessment of material sustainability impacts risks and opportunities as identified by reference to and in compliance with sector-agnostic and sector-specific level ESRS

The undertaking shall provide a description of the outcome of its assessment processes by reference to mandatory disclosures under ESRS.

The principle to be followed under this disclosure requirement is to give a clear statement of sustainability matters, as addressed by all ESRS, that are material for the undertaking, and to give relevant explanations on (i) how the undertaking related to the material impacts, risks and opportunities identified by its assessment, (ii) when the undertaking has or will put in place initiative to modify its strategy and business model, in order to reduce or eliminate the risk or to benefit from the opportunity and/or in order to prevent and mitigate negative material impacts and enhance positive material impacts (see DR 2-SBM3 and 4), why this was the case and (iii) if and why certain mandatory disclosures are not material under the undertaking’ specific facts and circumstances and therefore disclosed as such.

Q21: Please, rate to what extent do you think DR 2-IRO 2 – Outcome of the undertaking’s assessment of material sustainability impacts risks and opportunities as identified by reference to and in compliance with sector-agnostic and sector-specific level ESRS

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

See general remarks with the Sustainability Reporting Technical Committee's general disapproval regarding the concept of a non-material items list.

Since we see little benefit in providing an extensive non-material-items list the costs will significantly outweigh the benefits.

H:

See our answer to prioritisation of disclosure requirements. In our opinion, cross-cutting-standards are to be prioritised.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remarks regarding the rebuttable presumption concept and the resulting "non-material-items-list": We disapprove of the concept to prepare a non-material-items-list. The materiality assessment in line with ESRS results in material and – according to the understanding of information quality within ESRS – hence relevant information. These information were determined to provide meaningful information to the stakeholders considering impact as well as financial materiality. Any additional information, by definition, are not material and conceal the material information. The disclosure of non-material information and explanations of that evaluation not only adds to the burden of the undertakings it also adds to information overload, reduces clarity and understandability of sustainability reports. The focus of stakeholders should be directed to material items.

As we understand one argument brought forward supporting the relevance of information about non-material items is that stakeholders wish to better understand the undertakings approach in differentiating between material and non-material items. We therefore suggest limiting the disclosure of non-material items to a few non-material items. This will provide stakeholders with some indications on where the undertaking drew the line between material and non-material information. These should be limited to few information and according explanations, rather than including a whole list of items.

Furthermore, we understand the overarching concept to be the rebuttable presumption that the DR defined in the ESRS are generally material for all undertakings. We, however, believe that there are numerous DR that are rather sector-specific than sector-agnostic. Identifying those would significantly reduce the burden for undertakings and increase understandability of sustainability reports. If there were, however, information that – according to the concept of ESRS – should be provided by any undertaking irrelevant of their industry, sector or size, these information should be clearly marked and the reasoning should be provided.

DR 2-IRO 3 – Outcome of the undertaking’s assessment of material sustainability impacts risks and opportunities that are not covered by and ESRS (entity-specific level)

The undertaking shall provide a description of the outcome of its assessment process in relation to material impacts, risks and opportunities that are not addressed under mandatory disclosure and require entity-specific disclosure.

The principle to be followed under this disclosure requirement is to provide information (i) about all material impacts, risks and opportunities of the undertaking resulting from the undertaking’s specific facts and circumstances for which relevant disclosure requirements do not exist, and (ii) when the undertaking has or will put in place initiatives to modify its strategy and business model, in order to reduce or eliminate the risk or to benefit from the opportunity and/or in order to prevent and mitigate negative material impacts and enhance positive material impacts (see DR 2-SBM 3 and 4), about such impacts, risks and opportunities. For each sustainability matter in the scope of sustainability reporting, the undertaking shall assess which material impacts, risks and opportunities are not covered by ESRS and shall give rise to entity-specific disclosure.

Q22: Please, rate to what extent do you think DR 2-IRO 3 – Outcome of the undertaking’s assessment of material sustainability impacts risks and opportunities as identified by reference to and in compliance with sector-agnostic and sector-specific level ESRS

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

H:

See our answer to prioritisation of disclosure requirements. In our opinion, cross-cutting-standards are to be prioritised.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

3B. Adequacy of Disclosure Requirements – Environmental standards (1/5)

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

- when sharing comments on a given Disclosure Requirement, and as much as possible, reference to the specific paragraphs being commented on should be included in the written comments;
- in the question 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.

A complete index of Disclosure Requirements and their corresponding Application Guidance can be found in Appendix I – Navigating the ESRS.

DR E1-1 – Transition plan for climate change mitigation

The undertaking shall disclose its plans to ensure that its business model and strategy are compatible with the transition to a climate-neutral economy and with limiting global warming to 1.5 °C in line with the Paris Agreement.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the transition plan of the undertaking and its compatibility with limiting global warming to 1.5°C.

Q23: Please, rate to what extent do you think DR E1-1 – Transition plan for climate change mitigation

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

(1) Please note, our answer refers to the single disclosure requirement subject to this dedicated question without considering all disclosure requirements proposed for the Exposure draft on ESRS E1. Our opinion on this question regarding all disclosure requirements of this Exposure draft is contained in our answer on question Q40.

(2) Cost-benefit-analysis has not yet been provided by EFRAG to be assessed by constituents of that consultation. We point out to the fact that the answers collected on question E cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, in general.

In addition, main critical points regarding DR1 are:

(3) Alignment of Transition Plan with the Paris agreement not possible without SBTi- or other models which require additional implementation effort, as the Paris agreement does not involve any emissions reduction targets.

(4) Calculation of locked-in-emissions difficult because of missing generally accepted methods

(5) Other details about transition plans could be sensitive and risk harming the company if they are publicly available, e.g., AG3 (c) to (e).

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Q23.A, B, D: First, the Paris agreement does not involve emissions reduction targets, second, parties to the agreement are states, not undertakings. Any explanation on the alignment of transition plans with the 1.5°C goal is, therefore, subject to a great extent of judgement, even if an undertaking uses SBTi- or other models to assess such an alignment. Therefore, we believe that comparability across companies is strongly limited since transition plans can hardly be justified to be aligned with the 1.5°C goal. For the same reasons we think that relevance and other qualitative characteristics of information is limited as well, although we think that disclosing transition plans are relevant in general. Comparability might further be limited because there are many different methods to calculate locked-in-emissions.

Q23.I: The answer to this question requires a detailed analysis, especially with regard to narrative disclosures. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG we fail to give a proper assessment on that specific disclosure requirement.

DR E1-2 – Policies implemented to manage climate change mitigation and adaptation

The undertaking shall disclose its policies related to climate change mitigation and its policies related to climate change adaptation.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking monitors and manages its GHG emissions, climate-related physical and transition risks and opportunities throughout the value chain.

Q24: Please, rate to what extent do you think DR E1-2 – Policies implemented to manage climate change mitigation and adaptation

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in the textbox to our answer on Q23.E in this survey.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Q24.A&B:

General inclusion of the value chain is neither relevant nor reasonable (para. 17). The CSRD proposal requires inclusion of the value chain only in relation to the principal actual or potential adverse impacts. For all other issues information on the value chain shall be provided “where appropriate”.

Suggestion: To link the requirement to provide information on the value chain to the “where appropriate” criterion. (AG24 contains a wording that indicates a choice “and/or in the value chain”).

Para AG26 contains a phrase that shouldn't be part of a reporting standard as it addresses behaviour, rather than reporting (“The undertaking is encouraged to account for those impacts, whether they be intended or unintended,”).

Suggestion: Delete that phrase.

Q24.I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG we fail to give a proper assessment on that specific disclosure requirement.

Editorial remarks:

Application guidance on ESRS 2 on resilience etc. (from para. AG7) seems to contain a wrong reference. It should be SBM 4, instead of SBM 1.

DR E1-3 – Measurable targets for climate change mitigation and adaptation

The undertaking shall disclose the climate-related targets it has adopted.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the targets the undertaking has adopted to support its climate change mitigation and adaptation policies and address its material climate-related impacts, risks and opportunities.

Q25: Please, rate to what extent do you think DR E1-3 – Measurable targets for climate change mitigation and adaptation

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey.

In addition, main critical points regarding this DR are

(1) Disclosing the reference of target period (Para 24 (e) to cross-sector or sector-specific emission pathway in line with limiting global warming to 1.5°C might not be possible/feasible in every circumstance as such pathways predominantly exist for high-emitters. For all other undertakings the presentation in line the Paris agreement would require undue implementation effort, as the Paris agreement does not involve reduction targets.

(2) Furthermore, we suggest deleting the requirement to update the base year for the undertaking's emission targets in five-year rolling periods (para 24, AG29(b)). This requirement may pre-sent an undue burden for undertakings, in addition, we are not aware of any guidance in the SBTi literature on such five-year rolling periods.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Q25.A&B: We suggest disclosing GHG Emission reduction targets in absolute and intensity values in case an undertaking's target setting includes both. (1) The targets disclosure should be consistent to the disclosure of actual GHG emissions. DR7 to DR10 require absolute values, DR11 requires an intensity value. (2) Both disclosures seem relevant: A target in absolute terms depicts the total targeted emissions reduction; however, it is limited in providing information on the transition of the business model which might be better reflected by an intensity value. In contrast, an intensity value does not provide information on the GHG footprint of the undertaking itself.

Q23.I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG we fail to give a proper assessment on that specific disclosure requirement.

DR E1-4 – Climate change mitigation and adaptation action plans and resources

The undertaking shall disclose its climate change mitigation and adaptation action plans and the resources allocated for their implementation.

The principle to be followed under this Disclosure Requirement is to provide transparency on the key actions taken and planned to achieve climate-related targets and to manage GHG emissions, transition and

physical risks and opportunities, supporting the understanding of achieved performance improvements and the credibility of the undertaking's policies, strategy and business model with regards to climate change.

Q26: Please, rate to what extent do you think DR E1-4 – Climate change mitigation and adaptation action plans and resources

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey. In addition, unclear interaction with disclosures according to the EU-Taxonomy Regulation will result in high efforts for undertakings to find a proper solution (please see our general comments on this issue in the textbox below). This solution should have been provided by the standard setter, i.e. EFRAG and European Commission.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Q26.A, B, D:

Relevance as well as meeting the other objectives is hampered by inconsistencies and redundancies arising from unclear interaction of the disclosure requirements with the reporting requirements under the EU Taxonomy Regulation:

According to para AG35 “the amounts of OpEx and CapEx disclosed shall be consistent with the KPIs and CapEx plan according to the EU Taxonomy Regulation.” We understand that CapEx to be reported according to the EU Taxonomy Regulation refer to additions to fixed assets incurred in the reporting period. Furthermore, the definition of “action plan” in ED ESRS 1 seems to refer to an activity that has not yet started. In contrast, the definition of “action” seems to refer to an activity that has already started, i.e., an “action” would comprise CapEx (and OpEx) incurred in the reporting period. If this understanding is correct, the definition should be clearer, as the wording used leaves to much room for interpretation as to whether (a) “consistency” means that CapEx and OpEx reported under ESRS E1 is required to equal the amounts reported under the EU Taxonomy Regulation, and (b) if so, what “potential differences between OpEx and CapEx disclosed under ESRS E1 and the EU Taxonomy Regulation” (AG35) may result from. If consistency would mean that CapEx and OpEx for actions taken should be the same as CapEx and OpEx reported under the Taxonomy Regulation, there should be no differences to explain.

The draft requirement leaves room for another interpretation: CapEx and OpEx reported under ESRS E1 are expected to differ from CapEx and OpEx reported under the Taxonomy Regulation in the very most cases, because the latter depend on taxonomy eligibility, technical screening criteria, DNSH-conditions and minimum safeguards being not relevant in ESRS E1. This interpretation may; however, create overlaps in figures reported because an undertaking will disclose CapEx and OpEx according to the Taxonomy Regulation and – in addition – CapEx and OpEx according to ESRS E1.

In addition, we have general concerns with the requirement to report OpEx. In analogy of the practitioners’ concerns regarding the reporting according to Art. 8 of the Taxonomy Regulation; OpEx is not a financial KPI widely used in practice. Also, the definition of OpEx contained in the Delegated Act on Art. 8 of the Taxonomy Regulation (which ESRS E1 refers to) is not sufficiently clear. Therefore, the use of this figure should be reconsidered in the context of ESRS.

Furthermore, it remains unclear, what exactly is meant by the notion “resources” in the financial context. In

order to enable disclosures that are comparable across undertakings, a narrower discussion on the understanding of resources is necessary, e.g., what type of cost (for expenses as well as for investments) is meant.

Moreover, many undertakings have not dedicated their action plans to one single sustainability matter exclusively; in contrast, actions plans may be taken and planned for, for example, both climate and social aspects. In case of such a combined action plan, an undertaking needs clarity on how to allocate the resources to the (example continued) climate related leg and the social related leg of the action plan. Any such guidance is not contained in the ED.

DR E1-5 – Energy consumption & mix

The undertaking shall provide information on its energy consumption.

The principle to be followed is to provide an understanding of the undertaking's absolute energy consumption, improvement in energy efficiency and share of renewable energy in its overall energy mix.

Q27: Please, rate to what extent do you think DR E1-5 – Energy consumption & mix

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey.

In addition, regarding this DR:

Benefits are highly questionable. Please see to our answer posted into the last textbox on this question.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Q27.A&B:

Notwithstanding the fact that these disclosures are required because of SFRD related information needs of financial market participants, the relevance of the information seems questionable. We concede, energy consumption might be an important information for stakeholders to assess the effect of an undertaking on climate change through GHG emissions and vice versa. However, we consider the disclosure on energy consumption as an indirect measure. This is because GHG emissions, if any, are just the result of energy generation. Instead, the effects related to an under-taking's energy consumption can better be assessed directly on the basis of Scope-1 and 2 GHG Emissions, as these represent emissions from own generation through combustion of fossil fuels as well as emissions from energy purchased from third parties. As ESRS E1 will require detailed disclosures on GHG emissions, the relevance of the disclosure on energy consumption & mix seems questionable given the existence of DR7 to 11.

The requirement might be justified in case an undertaking is not yet capable to report GHG emissions. In this circumstance disclosing energy consumption & mix could be seen as a "second-best" substitute for a disclosure on GHG emissions.

Q27.D: Because of the aforementioned considerations we do not think the requirement results in representative and relevant information.

DR E1-6 – Energy intensity per net turnover

The undertaking shall provide information on the energy consumption associated with activities in high climate impact sectors per net turnover of these activities.

Q28: Please, rate to what extent do you think DR E1-6 – Energy intensity per net turnover

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey.

In addition to DR6:

In our opinion, the disclosure is almost meaningless. Therefore, we can hardly see significant benefit resulting from the information. In addition, please see to our answer posted into the last textbox on this question.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Q28.A, B, D:

Notwithstanding the fact that these disclosures are required because of SFRD related information needs of financial market participants we fail to see the relevance of this information, mainly because it is substantially driven by the level of outsourcing. (For our further reasoning please see our explanation in the general textbox on Q27.) Energy consumption is calculated based on the boundaries of the reporting entity as used for traditional financial reporting. However, the net turn-over from products sold goes beyond. It considers the value creation of the reporting entity AND the value creation performed in the total upstream value chain of these products. Therefore, an undertaking with a high vertical integration regarding the own production processes will report a high amount of energy consumed as the energy is needed for the manufacturing/production. In contrast, another undertaking that sells the same products but has outsourced a large part of the production will report lower electricity consumption. Given a market driven selling price for the products and assuming almost equal units sold in a certain period, the disclosure reported by these two undertakings will differ significantly, in spite of the fact that the units sold, and the net turnover are based on the same energy consumption. Therefore, the information content of such disclosure seems meaningless, rather than comparable or representative.

DR E1-7 – Scope 1 GHG emissions

The undertaking shall disclose its gross Scope 1 GHG emissions in metric tons of CO₂ equivalent.

Q29: Please, rate to what extent do you think DR E1-7 – Scope 1 GHG emissions

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey.

In addition, regarding the breakdown of emissions disclosures:

We note the exposure draft contains a recommendation (AG44) to break down GHG emissions by country, segments etc. We welcome this amendment to the working paper published in January 2022. However, such recommendation is considered as a de facto requirement very often, even if worded as a recommendation ("the undertaking may"). Since a requirement to break down the GHG figures is neither appropriate nor meaningful, we urge to delete that paragraph or to flag the disclosure as an unbinding example.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Any comment:

Regarding calculation of GHG emissions for all Scopes:

(1) On paras AG45(d), AG47(h), AG48(l): The requirement to exclude any purchased, sold or transferred carbon credits or GHG allowances from the calculation of GHG emissions (all Scopes, is consistent with the requirement to report gross emissions. However, there are concerns about the practicability of this requirement. For example, fuel purchases already include offsets made by parts of the upstream supply chain. In this respect, the requirement to disregard such offsets when calculating GHG emissions should only cover the undertaking's own offsets (i.e., those made directly by the undertaking). However, this should be clarified in the standard.

(2) See AG43(d):

The requirement to use GWP values based on a 100-year time horizon to calculate CO₂ equivalent emissions, generally, does not seem appropriate in every case. In particular, for short-lived GHGs such as methane, it seems reasonable to calculate with shorter time spans (e.g., 20 years) in order not to underestimate their climate effect. (Methane already has a significant effect on the climate over a short period of time).

(3) Regarding question D for all Scopes and emissions based disclosures:

According to the GHG Protocol two distinct approaches can be used to consolidate GHG emissions: the equity share approach and the control approaches (financial control or operational control). However, neither ED EDRS E1 nor the Basis for Conclusion contains any discussion on this issue. Concluding, undertakings are granted an accounting policy choice in this regard without any requirement to provide information on the approach applied. As a result, comparability of disclosures on GHG emissions is significantly hampered (as reflected in our assessment of question D). In addition, it seems questionable that all approaches discussed in the GHGP are consistent to reporting boundaries as discussed in para 63 of ESRS 1.

General remark: The reference made in in the ED to the GHG Protocol is supported in general. However, we think the GHG Protocol needs a review (please see our comments on Q.40 in chapter 1C of the survey)

DR E1-8 – Scope 2 GHG emissions

The undertaking shall disclose its gross indirect energy Scope 2 GHG emissions in metric tons of CO₂ equivalent.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the indirect impacts on climate change caused by the undertaking's consumed energy whether externally purchased or acquired.

Q30: Please, rate to what extent do you think DR E1-8 – Scope 2 GHG emissions

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey. In addition, please see our concerns regarding the breakdown of emissions disclosures (Q29.E, textbox on Q29.E).

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Any comment:

Please see our remarks on Q.29 (textbox for general comments) of this survey.

DR E1-9 – Scope 3 GHG emissions

The undertaking shall disclose its gross indirect Scope 3 GHG emissions in metric tons of CO₂ equivalent. The principle to be followed under this Disclosure Requirement is to provide an understanding of the GHG emissions that occur in the undertaking's value chain beyond its Scope 1 and 2 GHG emissions. For many undertakings Scope 3 GHG emissions are the main component of the GHG inventory and an important driver of their transition risks.

Q31: Please, rate to what extent do you think DR E1-9 – Scope 3 GHG emissions

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey.

In addition, please see our concerns regarding the breakdown of emissions disclosures (textbox on Q29.E of this survey).

Furthermore, most undertakings, even if required to prepare nonfinancial statements according to the Accounting Directive, are not experienced in determining their Scope 3 emissions as regards methods and systems. Therefore, given the short transition period for the ESRS, the implementation effort is too high for most companies.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Any comment:

Please see our remarks on Q.29 (textbox) of this survey.

In addition, on Q31.A, B, D:

Information quality (including relevance) of Scope 3 GHG emissions is limited because their measurement is subject to extensive judgement by undertakings. Even if information has to be provided on the methods and assumptions used, the disclosure of Scope 3 GHG emissions seems less representative and hardly comparable across undertakings.

DR E1-10 – Total GHG emissions

The undertaking shall disclose its total GHG emissions in metric tons of CO₂ equivalent.

The principle to be followed under this Disclosure Requirement is to provide an overall understanding of the undertaking's GHG emissions and whether they occur from its own operations or the value chain. The disclosure is a prerequisite for measuring progress towards reducing GHG emissions in accordance with the undertaking's climate-related targets and EU policy goals as well as for the assessment of the undertaking's transition risks.

Q32: Please, rate to what extent do you think DR E1-10 – Total GHG emissions

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey.

In addition, please see our concerns regarding the breakdown of emissions disclosures (textbox on Q29.E of this survey).

Furthermore, most undertakings, even if required to prepare nonfinancial statements according to the Accounting Directive, are not experienced in determining their Scope 3 emissions as regards methods and systems. Therefore, given the short transition period for the ESRS, the implementation effort is too high for most companies.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Any comment:

Please see our remarks on Q.29 of this survey.

In addition, please see our remarks on Q31 (general textbox) of this survey regarding Scope 3 emissions. As the disclosure „Total GHG emissions“ includes Scope 3 emissions, our concerns on Scope 3 emissions are likewise relevant for „Total GHG emissions“.

3B. Adequacy of Disclosure Requirements – Environmental standards (2/5)

DR E1-11 – GHG intensity per net turnover

The undertaking shall disclose its total GHG emissions per net turnover.

Q33: Please, rate to what extent do you think DR E1-11 – GHG intensity per net turnover

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey. Furthermore, most undertakings, even if required to prepare nonfinancial statements according to the Accounting Directive, are not experienced in determining their Scope 3 emissions as regards methods and systems. Therefore, given the short transition period for the ESRS, the implementation effort is too high for most companies.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Any comment:

Please see our remarks on Q.29 of this survey.

In addition, please see our remarks on Q31 (general textbox) of this survey regarding Scope 3 emissions. As the disclosure „GHG intensity per net turnover“ includes Scope 3 emissions, our concerns on Scope 3 emissions are likewise relevant for „GHG intensity per net turnover“.

On Q33.B

Notwithstanding the fact that this disclosure is required because of SFRD related information needs of financial market participants we think the relevance of an GHG intensity is slightly limited. Total GHG emissions include all emissions of an undertakings upstream and downstream value chain. However, the undertaking's net turnover from products/services sold considers the upstream value chain of these products /services but not the downstream value chain. Therefore, the elements of this disclosure are not based on same premises.

On Q.33 B:

For carbon-intensive sectors, the intensity emission figures based on net turnover is not deemed the most relevant intensity figure and, therefore, of limited relevance for users of climate reporting. In contrast, intensity figures reported by undertakings active in such sectors are based on units of products or comparable output, for example “metric tons CO₂ equivalent per tons of steel” or “metric tons CO₂ equivalent per MWh of electricity”. The requirement might result in not reporting the most relevant disclosures for some sectors.

DR E1-12 – GHG removals in own operations and the value chain

The undertaking shall disclose GHG removals from own operations and the upstream and downstream value chain in metric tons of CO₂ equivalent.

The principle to be followed under this Disclosure Requirement is to provide in a comparable manner transparency on actions to permanently remove or actively support the removal of GHG from the atmosphere.

Q34: Please, rate to what extent do you think DR E1-12 – GHG removals in own operations and the value chain

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey. In addition, the general inclusion of the value chain in this disclosure is not appropriate.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Any comment:

We agree that an undertaking's GHG removals in own operations and the value chain might be relevant for users of sustainability reports. However, that requirement should be limited to the most significant (material) removal projects. In contrast, the exemption in AG61 "The undertaking is not expected to include GHG removals that may occur in its value chain but that it is not aware of does not seem helpful, as the condition for that exemption can easily be met by simply stating that the undertaking is not aware of GHG removals in its value chain.

Our recommendation:

EFRAG should clarify in the standard that the requirement shall cover the most significant removal activities. In addition, undertakings should be exempted from reporting GHG removals in its value chain for a certain transition period, in general. EFRAG may consider requiring undertakings to disclose GHG removals it actively supports, in addition to those that are carried by the undertaking itself. The notion "GHG removals it actively supports" may include suppliers that are required to remove GHGs by contractual agreements with the undertaking.

Furthermore, we see this requirement might be misinterpreted by users as a counterbalance to the undertaking's GHG emissions. By analogy, this is valid for carbon credits as addressed in DR13 of this standard.

DR E1-13 – GHG mitigation projects financed through carbon credits

The undertaking shall disclose the amount of GHG emission reductions or removals from climate change mitigation projects outside its value chain it has financed through the purchase of carbon credits.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent and quality of carbon credits the undertaking has purchased from the voluntary market and cancelled in the reporting period.

Q35: Please, rate to what extent do you think DR E1-13 – GHG mitigation projects financed through carbon credits

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|-----------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

(Optional) DR E1-14 – Avoided GHG emissions from products and services

The undertaking may disclose its estimated total avoided GHG emissions from its products and services in metric tons of CO₂ equivalent.

The principle to be followed under this optional Disclosure Requirement is to provide transparency on the methodologies used and assumptions made by the undertaking when estimating and communicating about the impacts of their products and services on climate change in comparison to other products and services, or in comparison to a situation where their products and services would not exist, considering that there is currently no generally accepted framework for accounting and reporting on such avoided emissions.

Q36: Please, rate to what extent do you think DR E1-14 – Avoided GHG emissions from products and services

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Any comment:

The design of this requirement does not seem appropriate. Although the requirement is optional in general, an undertaking wishing to disclose avoided emissions must adhere to all single sub-requirements set out in the application guidance. We agree, transparency on methods and assumptions should be mandatory; however, all other sub-requirements on this disclosure requirement should be optional.

DR E1-15 – Potential financial effects from material physical risks

The undertaking shall disclose the estimated potential financial effects from its material physical risks.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how material climate-related physical risks may affect the undertaking's performance and position over the short, medium and long term, considering that those potential future financial effects may not meet at the reporting date the recognition and measurement criteria set for assets and liabilities.

Q37: Please, rate to what extent do you think DR E1-15 – Potential financial effects from material physical risks

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey.

In addition:

A requirement to report quantitative disclosures for risk reporting purposes seems feasible for preparers with a certain level of experience in sustainability reporting. However, undertakings that will be required to prepare sustainability reports for the first time (which is most of all undertakings required to do so) will face undue burden for their first time-reporting.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Any comment:

Remark on Q37A, B, D: (Qualitative vs. quantitative disclosures)

The requirement to provide quantitative information for risk reporting is basically appropriate from a user's perspective. However, quantitative disclosures with a medium- and long-term time horizon in particular are associated with numerous uncertainties and assumptions. The reliability of the information and comparability of such information across different undertakings is therefore severely limited. This also results in low relevance from our point of view. In addition, long time horizons lead to strong discounting effects. Therefore, relevance of the disclosures is further limited. The focus on financial risks should be placed more on narrative disclosures, especially for medium- and long-term time horizons.

In addition, the requirements in paragraph AG 70 et seq. should be amended to allow companies flexibility in choosing the extent of quantitative and narrative disclosures.

Remark on paras AG77 and AG78 (Statement of consistency):

Such a requirement already exists in Art. 34 of the Accounting Directive. It directly affects the audit, but indirectly also the preparation of the management report. In future, sustainability reporting will be a mandatory part of the management report. Thus, sustainability reporting will also be covered by Art. 34, making a specific regulation in the ESRS redundant. If the requirement in AG78 is meant to refer to the requirement of Art. 34 of the Accounting Directive, this requirement in AG78 is without substance, as inconsistencies shall not exist per se. Although the auditor could be required to explain inconsistencies, this should neither be part of the sustainability reporting nor the management report. Furthermore, if the statement of consistency is meant to form a special requirement for the sustainability reporting, this must be regulated at the level of the Directive, but not by Level II regulation (i.e., by ESRS). Therefore, the requirement should be deleted in the relevant paragraphs of ESRS.

DR E1-16 – Potential financial effects from material transition risks

The undertaking shall disclose the estimated potential financial effects from material transition risks.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how material climate-related transition risks may affect the undertaking's performance and position over the short, medium and long-term, considering that those potential future financial effects may not meet at the reporting date the recognition and measurement criteria set for assets and liabilities.

Q38: Please, rate to what extent do you think DR E1-16 – Potential financial effects from material transition risks

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey.

In addition:

A requirement to report quantitative disclosures for risk reporting purposes seems feasible for preparers with a certain level of of experience in sustainability reporting. However, undertakings that will be required to prepare sustainability reports for the first time (which is most of all under-takings required to do so) will face undue burden for their first time-reporting.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

Any comment:

Please see our answer on Q37 (general textbox) of this survey.

(Optional) DR E1-17 – Potential financial effects from climate-related opportunities

The undertaking may disclose its potential financial effects from climate-related opportunities.

The principle to be followed under this optional Disclosure Requirement is to allow users to understand how the undertaking may financially benefit from material climate-related opportunities. The disclosure is complementary to information requested under the Taxonomy Regulation.

Q39: Please, rate to what extent do you think DR E1-17 – Potential financial effects from climate-related opportunities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our comments on the cost-benefit-aspect in our answer on Q23.E (textbox) in this survey.

F:

Please see our general remarks on this issue in the textbox on Q40.I of chapter 1C.

G:

Please see our comment on Q40J of Chapter 1C.

E2-1 – Policies implemented to prevent and control pollution

The undertaking shall disclose its policies related to pollution prevention and control.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking monitors and manages its pollution-related impacts, risks and opportunities.

Q40: Please, rate to what extent do you think E2-1 – Policies implemented to prevent and control pollution

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

Any comment:

- Reporting should not be limited to corporate-wide policies as this seems to be very broad, generic and reporting-driven. Include specific pollution prevention policies.
- Include also policies about incidents and emergency situations (e. g. Seveso III Directive (= main EU legislation dealing specifically with the control of on-shore major accident hazards involving dangerous substances) and Control of Major Accident Hazards (COMAH) Regulations 2015 (= purpose of the COMAH regulations is to prevent major accidents involving dangerous substances and limit the consequences to people and the environment of any accidents which do occur)
- Corporate wide and (if applicable) specific pollution prevention policies: specific policy, referring to a specific territory and specific target: “as applicable, the geographical scope of the target: a description of the geographies covered by the target”

DR E2-2 – Measurable targets for pollution

The undertaking shall describe the pollution-related targets it has adopted.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the targets the undertaking has adopted to support its pollution-related policies and address its material related impacts, risks and opportunities.

Q41: Please, rate to what extent do you think DR E2-2 – Measurable targets for pollution

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

Any comment:

- Shall describe ...: What targets have to be mandatory reported? Again based on current and future legislation!
- Given the level of granularity of the targets to meet the pollution related policies, a base year should be defined and a time limit for the targets should be given (see e. g. biodiversity short/medium/longterm). Also the overall progress should be defined for different time frames.
- the undertaking's contribution to the EU Action Plan 'Towards a Zero Pollution for Air, Water and Soil', to be concretized to minimize room for interpretation and improve comparability
- Reference to other Frameworks are missing, e. g. Best Available Techniques (BAT) to Prevent and Control Industrial Pollution (The OECD's BAT project has so far resulted in different activities, e. g. the latest two are Activity 4: Guidance Document on Determining Best Available Techniques (BAT), BAT-Associated Environmental Performance Levels and BAT-Based Permit Conditions, 2020; Activity 5: Value chain approaches to determining Best Available Techniques (BAT) for industrial installations, 2022. The overall objectives of the OECD's BAT project are to assist governments to implement policies and practices that embody BAT (or similar concepts) to prevent and control industrial pollution, and to contribute to progress towards achieving the Sustainable Development Goals (SDGs).

DR E2-3 – Pollution action plans and resources

The undertaking shall disclose its pollution-related action plans and the resources allocated to their implementation.

The principle to be followed under this Disclosure Requirement is to provide transparency on the key actions taken and planned in order to achieve its pollution-related policy objectives and targets.

Q42: Please, rate to what extent do you think DR E2-3 – Pollution action plans and resources

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

3B. Adequacy of Disclosure Requirements – Environmental standards (3/5)

DR E2-4 – Pollution of air, water and soil

The undertaking shall disclose information on a list of pollutants that are generated or used during production processes or that are procured, and that leave its facilities as emissions, as products, or as part of products or services.

The principle to be followed under this Disclosure Requirement is to provide transparency on the emissions that the undertaking generates.

Q43: Please, rate to what extent do you think DR E2-4 – Pollution of air, water and soil

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

Any comment:

- Corporate level for action plans and policies: Reporting should not be limited to corporate level
- Disclosure about action plans and resources: Distinguish if they are already implemented or planned
- Give examples and specify what is an action plan (in comparison to “an action”, the de-scription of an “an action plan” should also include time horizon/time frame)

DR E2-5 – Substances of concern and most harmful substances

The undertaking shall disclose specific information on the substances of concern and most harmful substances that are generated or used during production processes or that are procured, and that leave its facilities as emissions, as products, or as part of products or services.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the impact of the undertaking on health and the environment related to the undertaking’s production, use, distribution and commercialisation of substances of concern and most harmful substances, as well as an understanding of the undertaking’s exposure towards those substances of concern including risks arising from changes in regulations.

Q44: Please, rate to what extent do you think DR E2-5 – Substances of concern and most harmful substances

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E2-6 – Pollution-related incidents and deposit impacts and risks, and financial exposure to the undertaking

The undertaking shall disclose the impact of and its financial exposure to pollution-related incidents and deposits.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how principal pollution-related incidents and deposits may affect the environment and society and/or the undertaking's development, performance and position over the short-, medium- and long-term.

Q45: Please, rate to what extent do you think DR E2-6 – Pollution-related incidents and deposit impacts and risks, and financial exposure to the undertaking

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E2-7 – Financial effects from pollution-related impacts, risks and opportunities

The undertaking shall disclose the financial effects of the risks and opportunities arising from pollution-related impacts and dependencies.

The principle to be followed under this Disclosure Requirement is to an understanding of the effects of risks and opportunities, arising from the undertaking's pollution-related impacts and dependencies, on the undertaking's development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value.

Q46: Please, rate to what extent do you think DR E2-7 – Financial effects from pollution-related impacts, risks and opportunities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E3-1 – Policies implemented to manage water and marine resources

The undertaking shall disclose its policies related to water and marine resources².

The principle to be followed under this disclosure requirement is to provide an understanding of how the undertaking monitors and manages its material water and marine resources impacts, risks and opportunities.

Q47: Please, rate to what extent do you think DR E3-1 – Policies implemented to manage water and marine resources

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

B: ESRS E 3 is very granular and DRs are very sophisticated – they seem to be more sector-specific than sector-agnostic.

Overall: The disclosure requirements seem to be more suitable for non-financial undertakings.

DR E3-2 – Measurable targets for water and marine resources

The undertaking shall disclose the water and marine resources-related targets it has adopted.

The principle to be followed under this disclosure requirement is to provide an understanding of the targets the undertaking has adopted to support its water and marine resources policies and address its material related impacts, risks and opportunities.

Q48: Please, rate to what extent do you think DR E3-2 – Measurable targets for water and marine resources

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E3-3 – Water and marine resources action plans and resources

The undertaking shall disclose its water and marine resources action plans and the resources allocated for their implementation.

The principle to be followed under this disclosure requirement is to provide transparency on the key actions take and planned to achieve water and marine resources-related targets and to manage related risks, impacts and opportunities.

Q49: Please, rate to what extent do you think DR E3-3 – Water and marine resources action plans and resources

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E3-4 – Water management performance

The undertaking shall provide information on its water management performance.

The principle to be followed under this disclosure requirement is to provide an understanding of the undertaking's water cycle at entity level and how the undertaking is managing to meet the targets it has set.

Q50: Please, rate to what extent do you think DR E3-4 – Water management performance

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E3-5 – Water intensity performance

The undertaking may provide information on its water intensity performance.

The principle to be followed under this disclosure requirement is to provide an understanding of how the undertaking is managing to decouple net turnover from the withdrawal, consumption and discharge of water.

Q51: Please, rate to what extent do you think DR E3-5 – Water intensity performance

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

Overall: The wording differentiates between the DRs. Some include may, some shall. The wording should be consistent over the whole standards.

DR E3-6 – Marine resources-related performance

The undertaking shall provide information on marine resources-related performance indicators.

The principle to be followed under this disclosure requirement is to provide an understanding of how the undertaking is impacting marine resources and marine waters and how it is managing to meet whichever marine resources-related targets it has set.

Q52: Please, rate to what extent do you think DR E3-6 – Marine resources-related performance

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

3B. Adequacy of Disclosure Requirements – Environmental standards (4/5)

DR E3-7 – Financial effects from water and marine resources related impacts, risks and opportunities

The undertaking shall disclose its financial effects of material risks and opportunities arising from water and marine resources-related impacts and dependencies.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the effects of material risks and opportunities, related to the undertaking's water and marine resources-related impacts and dependencies, on the undertaking's development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value, considering that those potential future financial effects may not meet at the reporting date the recognition criteria set for financial statements.

Q53: Please, rate to what extent do you think DR E3-7 – Financial effects from water and marine resources related impacts, risks and opportunities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E4-1 – Transition plan in line with the targets of no net loss by 2030, net gain from 2030 and full recovery by 2050

The undertaking shall disclose its plans to ensure that its business model and strategy are compatible with the transition to achieve no net loss by 2030, net gain from 2030 and full recovery by 2050.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the transition plan of the undertaking and its compatibility with the preservation and restoration of biodiversity and ecosystems in line with the Post-2020 Global Biodiversity Framework and the EU Biodiversity Strategy for 2030.

Q54: Please, rate to what extent do you think DR E4-1 – Transition plan in line with the targets of no net loss by 2030, net gain from 2030 and full recovery by 2050

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|-----------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

Any comment:

Lack of clear biodiversity targets makes it difficult for companies to comply.

Targets are not clearly defined which makes it difficult for companies to comply in a meaningful and comparable manner. It also makes assurance/benchmarking difficult:

Is “no net loss” a sector-agnostic target on a corporate level or rather a public policy target?

What are the exact KPIs for net loss and net gain? Must be defined in the ESES E4

What are the global goals a company should contribute to? Full Recovery by 2050

How is the baseline measured for a company that allows for setting a net loss target? NNL work-ing group 2013?

Companies might have to invest significant resources to meet DR2 without ensuring meaningful results.

DR E4-2 – Policies implemented to manage biodiversity and ecosystems

The undertaking shall disclose its policies related to biodiversity and ecosystems.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address prevention, mitigation or remediation of actual or potential adverse impacts and protection and restoration of biodiversity and ecosystems and of how the undertaking monitors and manages its material biodiversity and ecosystems-related impacts and risks and opportunities arising from impacts and dependencies and addresses the strategies of no net loss by 2030, net gain from 2030, and full recovery of biodiversity and ecosystems by 2050.

Q55: Please, rate to what extent do you think DR E4-2 – Policies implemented to manage biodiversity and ecosystems

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E4-3 – Measurable targets for biodiversity and ecosystems

The undertaking shall disclose the biodiversity and ecosystem-related targets it has adopted.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the targets the undertaking has adopted to support its biodiversity and ecosystems policies and address its material related impacts, dependencies, risks and opportunities.

Q56: Please, rate to what extent do you think DR E4-3 – Measurable targets for biodiversity and ecosystems

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E4-4 – Biodiversity and ecosystems action plans

The undertaking shall disclose its biodiversity and ecosystems-related actions and action plans and allocation of resources to meet its policy objectives and targets.

The principle to be followed under this Disclosure Requirement is to provide transparency on the key actions taken and planned to achieve biodiversity and ecosystems-related targets and to manage related risks, impacts and opportunities.

Q57: Please, rate to what extent do you think DR E4-4 – Biodiversity and ecosystems action plans

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E4-5 – Pressure metrics

The undertaking shall report pressure metrics.

The principle to be followed under this Disclosure Requirement is to provide information on material impact drivers that unequivocally influence biodiversity, ecosystem services and underlying ecosystems.

Q58: Please, rate to what extent do you think DR E4-5 – Pressure metrics

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E4-6 – Impact metrics

The undertaking shall report metrics for material biodiversity and ecosystem-related impacts, either by material geographical locations, and/or by material raw materials.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the progress of the undertaking's towards no net loss and net gain, including how biodiversity offsets may be integrated in this measurement approach.

Q59: Please, rate to what extent do you think DR E4-6 – Impact metrics

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E4-7 – Response metrics

The undertaking shall disclose response metrics.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking minimises, rehabilitates or restores material impacts on biodiversity and ecosystems in material geographical locations of sites and/or raw materials identified.

Q60: Please, rate to what extent do you think DR E4-7 – Response metrics

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

DR E4-8 – Biodiversity-friendly consumption and production metrics

The undertaking may disclose metrics on its biodiversity-friendly consumption and production.

The principle to be followed under this optional Disclosure Requirement is, if the undertaking so decides, to provide an understanding of its consumption and production that qualifies as being biodiversity-friendly.

Q61: Please, rate to what extent do you think DR E4-8 – Biodiversity-friendly consumption and production metrics

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E4-9 – Biodiversity offsets

The undertaking may disclose the actions, development and financing of biodiversity and ecosystems mitigation projects (offsets) inside and outside its value chain.

The principle to be followed under this optional Disclosure Requirement is to provide an understanding of the extent and quality of the development; investment and implementation of projects or programmes inside or outside the undertaking's value chain that compensate for any residual, significant adverse impacts on biodiversity that cannot be avoided, reduced or removed, minimised, or restore biodiversity loss inside or outside the undertaking's value chain (also commonly referred to as biodiversity offsets).

Q62: Please, rate to what extent do you think DR E4-9 – Biodiversity offsets

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

(1) Offsetting should not be possible regarding biodiversity.

(2) If the board agrees to offsetting in biodiversity the DR about biodiversity offsets should not be optional, but mandatory.

Biodiversity offsets can be used to “compensate for any residual significant, adverse impacts that cannot be avoided, minimized and/or rehabilitated or restored, in order to achieve no net loss or a net gain of biodiversity” => This ignores that fact that it does not matter where carbon is emitted but it does matter where ecosystems are destroyed as they are location specific.

Further, for climate net zero a definition for what is residual and unavoidable exists but not for biodiversity so far.

DR E4-10 – Financial effects from biodiversity-related impacts, risks and opportunities

The undertaking shall disclose its financial effects of risks and opportunities arising from biodiversity-related impacts and dependencies.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the effects of risks and opportunities, arising from the undertaking's biodiversity-related impacts and dependencies, on the undertaking's development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value, considering that those potential future financial effects may not meet at the reporting date the recognition criteria set for financial statements.

Q63: Please, rate to what extent do you think DR E4-10 – Financial effects from biodiversity-related impacts, risks and opportunities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

3B. Adequacy of Disclosure Requirements – Environmental standards (5/5)

DR E5-1 – Policies implemented to manage resource use and circular economy

The undertaking shall disclose separately its policies (i) to decouple economic activity from extraction of non-renewable resources and (ii) for regeneration of renewable resources and ecosystems.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the undertaking's ability to transition away from extraction of virgin non-renewable resources and to implement practices that secure and contribute to the regeneration of the stock of renewable resources and the ecosystems they are part of.

Q64: Please, rate to what extent do you think DR E5-1 – Policies implemented to manage 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 | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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E:

It is very time-consuming to check all (!) business activities in the supply or value chain (incl. suppliers and customers) where non-renewable resources are used. This basic inventory alone is very time-consuming. It would be a good idea to examine the main business activities that are particularly resource-intensive. It is to be welcomed that the disclosure of the policies including the possible step-by-step examination of the business areas is possible.

DR E5-2 – Measurable targets for resource use and circular economy

The undertaking shall disclose the resource use and circular economy-related targets it has adopted.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the capacity of the undertaking to meet the policy's objectives of resource use and circular economy.

Q65: Please, rate to what extent do you think DR E5-2 – Measurable targets for 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 | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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Any comment:

The objective of reducing and eliminating waste is already part of E2, E3. Here the focus should be on targets for the application of circular economy principles. This also applies to the targets for the reuse of renewable resources.

The focus in E5 should clearly be on positive examples of the use of the circular economy. The consideration of geographical framework conditions and the maturity of the applications of circular economy principles is seen as a more meaningful filter.

DR E5-3 – Resource use and circular economy action plans

The undertaking shall describe its resource use and circular economy-related action plans and the resources allocated to their implementation.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the measures taken to increase the share of circularity in the flows and to optimise the use of resources supporting the credibility of the undertaking's strategy to develop circular business models fostering the transition to a more circular economy.

Q66: Please, rate to what extent do you think DR E5-3 – Resource use and circular economy action plans

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. 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"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
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Any comment:

The expected action plans should not only consider the company's own business activities, but also the entire value chain (incl. suppliers and customers). This is desirable, but can only be achieved step by step. The focus should initially be on the company's own sphere of influence. It makes sense to differentiate between one-off measures and systematic measures. Stakeholder involvement is desirable, but should only be included as optional at the beginning, as this is disproportionately burdensome. Similarly, information on individual and collective initiatives should be treated as optional.

DR E5-4 – Resources inflows

The undertaking shall provide information on its resources' inflows.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the resource use in the course of the undertaking's own operations, considering separately renewable and non-renewable resources and including transparency on virgin versus non virgin materials and on sustainable versus regenerative source.

Q67: Please, rate to what extent do you think DR E5-4 – Resources inflows

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
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Any comment:

The information required is the same for all sectors, although it always depends on the material used.

Also, the aspect of competitive information is underestimated, which products and services are in preparation.

It is also difficult to have all the information on input products on resource flows (in/out) for all companies.

This requires additional information that can only be collected step by step.

There is also the question of what added value aggregated data generate for the user.

There are only few sector-agnostic disclosures. Therefore, very generic disclosures are desired here, such as weight and share of renewable claims and the share of recycled packaging materials.

DR E5-5 – Resources outflows

The undertaking shall provide information on its resources' outflows.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking is contributing to circular economy by increasing the durability, reparability, upgradability, reusability or recyclability of the products and materials.

Q68: Please, rate to what extent do you think DR E5-5 – Resources outflows

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| D. 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"/> | <input type="radio"/> |
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Any comment:

As with E5-4, the factors depend on the industry. Also, this Topical Standard should be worked on closely with E2.

It is also difficult to have all the information on resource flows (in/out) to intermediate products for all companies. This requires additional information that can only be collected step by step.

There is also the question of what added value aggregated data create for the user.

Resource outflows refers to all materials and products that a company puts on the market (including packaging).

A breakdown according to the possibilities of circular use depends very much on the industry, and should therefore focus on individual sub-aspects that are applied with emphasis in each case.

It is also a question of what added value aggregated data generate for the user.

DR E5-6 – Waste

The undertaking shall provide information on its wastes.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the undertaking waste management strategy and of the extent to which the undertaking knows how its waste is managed in its own activities.

Q69: Please, rate to what extent do you think DR E5-6 – Waste

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
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| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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Any comment:

Here, again, a link with E2 is a possible option. Depending on the sector, it should then be looked at which hazardous and non-hazardous waste can be reused and which cannot. Here, those parts of the business model and in future steps of the value chain should be looked at.

DR E5-7 – Resource use optimisation

The undertaking shall provide information on its strategy to optimise resource use in creating circular business models.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the intensity of materials and products used by the undertaking and its capability to keep a resource at its highest value.

Q70: Please, rate to what extent do you think DR E5-7 – Resource use optimisation

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|-----------------------|----------------------------------|----------------------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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Any comment:

This topical standard should be optional, as there is still too limited prior knowledge and experience here.

This aspect is very dependent on the sector. The sheer KPI turnover or share of turnover of products and services that advance the transition to the circular economy is also not very mature. The costs and benefits are not commensurate for most sectors.

DR E5-8 – Circularity support

The undertaking shall provide information on its ability to create partnerships to accelerate the transition from linear to circular economy.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the services and products that contribute to create circular systems initiatives outside its own activities in the value chain.

Q71: Please, rate to what extent do you think DR E5-8 – Circularity support

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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Any comment:

It is not necessary to include E5-8 as an extra disclosure requirement. This information on up-stream and downstream measures can very well be subsumed under E5-1 (policies) and E5-3 (action plans). This also includes information on customers and suppliers.

DR E5-9 Financial effects from resource use and circular economy-related impacts, risks and opportunities

The undertaking shall disclose its financial effects of material risks and opportunities arising from resource use and circular economy-related impacts and dependencies.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the effects of material risks and opportunities, related to the undertaking's resource use and circular economy-related impacts and dependencies, on the undertaking's development, performance and position over the short-, medium- and long-term and therefore on its ability to create enterprise value, considering that those potential future financial effects may not meet at the reporting date the recognition criteria set for financial statements.

Q72: Please, rate to what extent do you think DR E5-9 – Financial effects from resource use and circular economy-related impacts, risks and opportunities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|-----------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

Any comment:

This aspect is not yet fully elaborated (see very generic approach) and shows the still low degree of maturity of this disclosure requirement. At the current stage, it is still more about the collection and reduction of additional costs than the inclusion of aspects of the circular economy in company valuations to date. Assessments of market potential are also still far too premature, and this applies to most geographical regions today.

3C. Adequacy of Disclosure Requirements – Social standards (1/4)

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

- when sharing comments on a given Disclosure Requirement, and as much as possible, reference to the specific paragraphs being commented on should be included in the written comments,
- in the question 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.

A complete index of Disclosure Requirements and their corresponding Application Guidance can be found in Appendix I – Navigating the ESRS.

DR S1-1 – Policies relate to own workforce

The undertaking shall state its policies that address the management of its material impacts on own workforce, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on the undertaking's own workforce specifically, as well as policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the workers whose interests they address, are made aware of their existence and content.

Q73: Please, rate to what extent do you think S1-1 – Policies relate to own workforce

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Preliminary notes on cost-benefit-balance:

(1) Please note, our answer refers to the single disclosure requirement subject to this dedicated question without considering all disclosure requirements proposed for the Exposure draft on ESRS S1. Our opinion on this question regarding all disclosure requirements of this Exposure draft is contained in our answer on question Q45.

(2) Cost-benefit-analysis to be assessed by constituents of that consultation has not yet been provided by EFRAG. We point out to the fact that the answers collected on question E cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, in general.

In addition, main critical points regarding DR S1-1 are:

The high volume of granular information about the policies carries the risk of information overload and is therefore questionable from the cost/benefit considerations. Therefore, the focus should be on the summary of the content of the policies (Disclosure Requirement S1-1.14, ESRS S1 AG 11). Provided that such a public policy contains all the required information, a link to this relevant policy should be considered sufficient for compliance with the DR S1-1. No additional information besides the link should be required.

F:

The reference table in the Basis for Conclusions to the Exposure draft on ESRS S1 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the Basis for Conclusions has been published late in the consultation process and that the CSRD was not yet finally adopted at the time of preparing the feedback on ESRS S1 through this survey.

Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with relevant EU policies and other EU legislation.

However, we recommend EFRAG to consider all relevant EU policies and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is imperative to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

Further, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). In addition, it should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

G:

The reference table 2 in the Basis for Conclusions to the draft ESRS S1 presents the international Human Rights instruments the PTF-ESRS has considered for the development of the disclosure requirements of draft ESRS S1. The ASCG notes that the Basis for Conclusions has been published late in the consultation process. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “aligned as possible” to international sustainability standards.

A: The focus should be on the summary of the content of the policies (Disclosure Requirement S1-1.14, ESRS S1 AG 11). The high volume of granular information carries the risk of information overload.

A: Where a policy is publicly available, the undertaking should be able to provide a link to the policy. Provided that such a public policy contains all the required information, no additional information besides the link should be required. (Disclosure Requirement S1-1.17).

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-2 – Processes for engaging with own workers and workers' representatives about impacts

The undertaking shall explain its general processes for engaging with its own workers and workers' representatives about actual and potential material impacts on its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages, as part of its ongoing due diligence process, with its own workers and workers' representatives about material, actual and potential, positive and/or negative impacts that do, or may, affect its own workforce.

Q74: Please, rate to what extent do you think S1-2 – Processes for engaging with own workers and workers’ representatives about impacts

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70.F.

G:

Please see our remarks in the textbox on Q70.G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-3 – Channels for own workers and workers' representatives to raise concerns

The undertaking shall describe:

- the channels it has in place for own workers and workers' representatives to raise their concerns or needs directly with the undertaking, and / or
- the processes through which the undertaking supports the availability of such channels through the workplace of own workers, and
- how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which the undertaking's own workers and workers' representatives can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of grievance mechanisms in the workplace of their own workers and workers' representatives, how follow up is done with these own workers and workers' representatives regarding the issues raised, and the effectiveness of these channels.

Q75: Please, rate to what extent do you think S1-3 – Channels for own workers and workers' representatives to raise concerns

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70.F.

G:

Please see our remarks in the textbox on Q70.G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The undertaking shall explain any outcome-oriented targets it may have related to:

1. Reducing negative impacts on its own workforce; and/or
2. Advancing positive impacts on its own workforce; and/or
3. Managing material risks and opportunities related to its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure its progress in addressing its negative impacts and/or advancing positive impacts on its own workforce, and/or in managing material risks and opportunities related to its own workforce.

Q76: Please, rate to what extent do you think S1-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

A: We recommend additional clarification that this list of topic-specific targets can be both extended and shortened (ESRS S1 AG 53).

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-5 – Taking action on material impacts on own workforce and effectiveness of those actions

The undertaking shall explain:

1. What action is planned or underway to prevent, mitigate or remedy material negative impacts on its own workforce that are connected to its operations, products or services;
2. Any additional initiatives or processes it has in place with the primary purpose of delivering positive impacts for its own workforce; and
3. How it assesses the effectiveness of these actions, programmes and processes in delivering outcomes or its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the types of processes, initiatives or engagements through which the undertaking:

1. Works to prevent, mitigate and remedy material impacts on its own workforce; or
2. Seeks to achieve positive impacts for its own workforce, recognizing that in both instances, the ultimate aim is to deliver improved outcomes in workers' lives.

Q77: Please, rate to what extent do you think S1-5 – Taking action on material impacts on own workforce and effectiveness of those actions

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S1-5 and S1-6 implement the principle of double materiality: DR S1-5 aims to prevent, mitigate or remedy material negative impacts on the own workforce while DR S1-6 aims to prevent, mitigate or remedy material negative impacts on the undertaking itself. Provided our understanding is correct, we agree with the content of DR S1-5 and S1-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S1-5 is about the risks and opportunities arising from the undertaking's operations on employees, while DR S1-6 is about the risks and opportunities arising for the undertaking due to employee-related issues

DR S1-6 - Approaches to mitigating material risks and pursuing material opportunities related to own workforce

The undertaking shall explain:

- What action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on its own workers; and
- What action is planned or underway to pursue material opportunities for the undertaking in relation to own workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing material risks and pursuing material opportunities related to its own workforce.

Q78: Please, rate to what extent do you think S1-6 - Approaches to mitigating material risks and pursuing material opportunities related to own workforce

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S1-5 and S1-6 implement the principle of double materiality: DR S1-5 aims to prevent, mitigate or remedy material negative impacts on the own workforce while DR S1-6 aims to prevent, mitigate or remedy material negative impacts on the undertaking itself. Provided our understanding is correct, we agree with the content of DR S1-5 and S1-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S1-5 is about the risks and opportunities arising from the undertaking's operations on employees, while DR S1-6 is about the risks and opportunities arising for the undertaking due to employee-related issues

DR S1-7 – Characteristics of the undertaking's employees

The undertaking shall describe key characteristics of employees in its own workforce.

The principle to be followed under this Disclosure Requirement is, in conjunction with Disclosure Requirement ESRS S1-8, to provide insight into the undertaking's approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other Disclosure Requirements in this Standard, in particular on Working Conditions, Equal Opportunities and Other Work-Related Rights.

Q79: Please, rate to what extent do you think S1-7 – Characteristics of the undertaking’s employees

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

In addition, see our comment to Q 76 part A below.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

A: We understand that with the proposed DR, the information needs of all relevant stakeholder groups should be satisfied. In this respect, the data on the diversity of the company's employees may be interesting for certain stakeholders, even if this KPIs have no management relevance.

EFRAG proposes that the breakdown for total employees is to be provided for each the country in which it has 50 or more employees. As explained in BC101, this threshold is chosen because it is a significant threshold for application of the EU Information and Consultation Directive (2002/14/EC).

We assume that the companies will be able (with significant effort) to collect the data proposed in DR S1-7 and to disclose it in the sustainability reports. However, the proposed low threshold of 50 employees will result in companies having to collect very large amounts of data in very large tables and include these large amounts of data in their sustainability reports. This will lead to an enormous amount of work on the preparer side and an information overload on the user side. In our view, to result in relevant information, the disclosure requirement needs to address meaningful content but in addition it needs to strike the appropriate balance regarding the extent/volume of information required by this DR. Information overload results in less relevant information. For this reason, we consider the information about the key characteristics of employees generally to be relevant, but the specific DR S1-7 will, in our view, result in the disclosure of less relevant information.

In addition, the required breakdown for total employees at the proposed low threshold of 50 employees may allow conclusions to be drawn about individual persons (e.g., in case of only few women working in a country), which is very questionable for data protection reasons.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-8 – Characteristics of non-employee workers in the undertaking's own workforce

The undertaking shall describe key characteristics of non-employee workers in its own workforce. The principle to be followed under this Disclosure Requirement is, in conjunction with Disclosure Requirement S1-7, to provide insight into the undertaking's approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other Disclosure Requirements in this Standard, in particular on Working Conditions, Equal Opportunities and Other Work-Related Rights.

Q80: Please, rate to what extent do you think S1-8 – Characteristics of non-employee workers in the undertaking’s own workforce

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-9 – Training and skills development indicators

The undertaking shall disclose the extent to which training and development is provided to its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the training and skills development-related activities that have been offered to own workers, within the context of continuous professional growth, to upgrade own workers' skills and facilitate continued employability.

Q81: Please, rate to what extent do you think S1-9 – Training and skills development indicators

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-10 – Coverage of the health and safety management system

The undertaking shall disclose information on the extent to which its own employees are covered by its health and safety management system.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the coverage of the undertaking's management system to prevent harm and promote health amongst the undertaking's employees.

Q82: Please, rate to what extent do you think S1-10 – Coverage of the health and safety management system

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

3C. Adequacy of Disclosure Requirements – Social standards (2/4)

DR S1-11 – Performance of the health and safety management system

The undertaking shall disclose the number of incidents associated with work-related injuries, ill health and fatalities of its own workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the quality and performance of the established health and safety management system to prevent work-related incidents. The undertaking shall provide the following information to comply with paragraph this Disclosure Requirement:

- the number of fatalities as a result of work-related injuries and work-related ill health;
- the number and rate^[1] of recordable work-related injuries;
- the number of cases of recordable work-related ill health; and
- the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health.

[1] This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 as reflecting an additional indicator related to principal adverse impacts as set out by indicator #2 in Table 3 of Annex 1 of the related Delegated Regulation with regard to disclosure rules on sustainable investments (“Rate of accidents”).

Q83: Please, rate to what extent do you think S1-11 – Performance of the health and safety management system

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

(Optional) DR S1-12 – Working hours

The undertaking shall disclose the percentage of its own workers that exceed 48 hours of work per week over the applicable reference period.

The principle to be followed under this Disclosure Requirement is to provide an understanding of whether the undertaking respects the thresholds established by the EU and ILO standards on weekly working hours (48 hours per week over a reference period) to protect own workers' physical and mental health and their safety and work-life balance.

Q84: Please, rate to what extent do you think S1-12 – Working hours

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-13 – Work-life balance indicators

The principle to be followed under this Disclosure Requirement is to provide an understanding of the actual practices amongst the employees to take family-related leave in a gender equitable manner.

Q85: Please, rate to what extent do you think S1-13 – Work-life balance indicators

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

A: The data to comply with the proposed DR S1-13 will be regularly available or readily ascertainable at companies. However, we consider the relevance and the decision usefulness of this information to be questionable. Information on whether employees are entitled to family-related leaves provides an understanding of whether the undertaking voluntarily provides this kind of social benefits in case it is not required to do it by law. This information may therefore be relevant to stakeholders. In contrast, the usefulness of information on the proportion of eligible employees who have made use of it is highly questionable, as this information is based on the personal decision-making reasons of the employees and less on the actions taking by the undertaking. In this respect, we recommend to reconsider this disclosure requirement.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-14 – Fair remuneration

The principle to be followed under this Disclosure Requirement is to provide an understanding of whether all of an undertaking's own workers are earning a fair wage, and, if this is not the case, an understanding of what percentage of own workers are earning less than a fair wage.

Q86: Please, rate to what extent do you think S1-14 – Fair remuneration

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

In addition, the main critical point regarding DR S1-14 is:

Companies will regularly not be able to obtain the data requested in AG 143 on non-employee workers for data protection reasons, as this data would reveal the margins of the employment placement agencies.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

A: The fair remuneration is extremely important and is increasingly required by the sustainability audits. In this respect, we agree with EFRAG that undertakings shall disclosure information about whether all of an undertaking's own workers are earning a fair wage. However, in our view, the informational usefulness, and the relevance of this specific DR as proposed by EFRAG is questionable since this DR is very simplified.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-15 – Social security eligibility coverage

The undertaking shall disclose the percentage of its own workers eligible for social security.

The principle to be followed under this Disclosure Requirement is to understand whether there are own workers of the undertaking that are not eligible for social security and, as a result, are especially vulnerable to major social risks.

Q87: Please, rate to what extent do you think S1-15 – Social security eligibility coverage

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-16 – Pay gap between women and men

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent of any gap in the pay between women and men amongst the undertaking's employees.

Q88: Please, rate to what extent do you think S1-16 – Pay gap between women and men

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

A: We consider the disclosure of the percentage gap in pay between women and men to be very important. However, the usefulness of the information required under the proposed DR S1-16 is questionable in our view. The information about any gap in the pay between women and men can only be understood meaningfully when it has been compiled for comparable type of work. AG 146 proposes that an undertaking may report “information regarding how objective factors such as type of work and country of employment influence the male-female pay gap”. However, we are of the opinion, that these factors shall be considered when disclosing the information about the male-female pay gap. Therefore, we recommend reconsidering the calculation of this disclosure requirement.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-17 – Annual total compensation ratio

The undertaking shall disclose the ratio between the compensation of its highest paid individual and the median compensation for its employees.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the level of compensation inequality inside the undertaking, whether wide pay disparities exist and how such disparities have evolved over time.

Q89: Please, rate to what extent do you think S1-17 – Annual total compensation ratio

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

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F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-18 – Discrimination incidents related to equal opportunities

The undertaking shall disclose the number of work-related discrimination incidents, any corrective actions taken during the reporting period and any related material fines or sanctions.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the incidence of work-related discrimination, including sexual and non-sexual harassment, the corrective actions that the undertaking has taken for its own workforce, and any related material fines and sanctions.

Q90: Please, rate to what extent do you think S1-18 – Discrimination incidents related to equal opportunities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-19 – Employment of persons with disabilities

The undertaking shall disclose the percentage of persons with disabilities amongst its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which persons with disabilities are included in an undertaking's workforce, and its composition by gender.

Q91: Please, rate to what extent do you think S1-19 – Employment of persons with disabilities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

C: We would like to point out the issue of data protection: For some DR, German companies may have difficulties to collect and to disclose the data because of the legal data protection regulations. E.g., an employee is not required to inform the employer of his/her disability and degree of disability. Since this information is voluntary, it is not possible for the company to reliably collect the data necessary to comply with the proposed DR S1-19. Also in other countries, e.g., China, such a data is considered highly sensitive.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-20 – Differences in the provision of benefit to employees with different employment contract types

The undertaking shall disclose information on benefits which are standard for full-time permanent employees but are not provided to employees with temporary, part-time and non-guaranteed hour contracts. The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which certain employees (those with temporary, part-time and/or non-guaranteed hour contracts) do not receive the same benefits as full-time, permanent employees.

Q92: Please, rate to what extent do you think S1-20 – Differences in the provision of benefits to employees with different employment contract types

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

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In addition, main critical points regarding DR S1-20 are:

Collecting the data to comply with the DR S1-20 can be challenging. A company has to record all employment contract types separately and group them together depending on the benefits for employees in order to subsequently disclose the differences in the provision of benefits. We consider the disclosure of information required under the DRS S1-20 to be too detailed and too complex.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

3C. Adequacy of Disclosure Requirements – Social standards (3/4)

DR S1-21 – Grievances and complaints related to other work-related rights

The undertaking shall state the number of grievances and complaints received and resolved relating to workers' other work-related rights.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the undertaking's grievance mechanism or channel. This is the mechanism or channel through which those workers whose other work-related rights are impacted by the undertaking are able to lodge a concern or complaint, and that can provide access to remedy by resolving those complaints. Furthermore, it is to provide an understanding of the number of complaints raised and resolved at National Contact Points for OECD Multinationals.

Q93: Please, rate to what extent do you think S1-21 – Grievances and complaints related to other work-related rights

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-22 – Collective bargaining coverage

The undertaking shall disclose information on the extent to which the working conditions and terms of employment of its own workforce are determined or influenced by collective bargaining agreements. The principle to be followed under this Disclosure Requirement is to provide an understanding of the importance of collective bargaining agreements for its own workforce.

Q94: Please, rate to what extent do you think S1-22 – Collective bargaining coverage

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q70.E in this survey.

F:

Please see our remarks in the textbox on Q70 F.

G:

Please see our remarks in the textbox on Q70 G.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S1-23 – Work stoppages

The undertaking shall disclose the extent of major work stoppages (including both strikes and lockouts) because of disputes between the undertaking and its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent of worker disputes and their impact on the undertaking's operations.

Q95: Please, rate to what extent do you think S1-23 – Work stoppages

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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DR S1-24 – Social dialogue

The undertaking shall disclose the extent and functioning of social dialogue with workers' representatives of its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the institutional prerequisites for social dialogue in the undertaking exist and the extent to which rights to social dialogue are respected in the undertaking's operations, particularly for those which are located in the European Economic Area (EEA).

Q96: Please, rate to what extent do you think S1-24 – Social dialogue

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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DR S1-25 – Identified cases of severe human rights issues and incidents

The undertaking shall disclose the number of severe human rights issues and incidents connected to own workforce which occurred in the reporting year.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which severe human rights issues (e.g. forced labour, human trafficking or child labour) and incidents affecting the undertaking's own workforce through its activities or business relationships occurred in the reporting year.

Q97: Please, rate to what extent do you think S1-25 – Identified cases of severe human rights issues and incidents

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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DR S1-26 – Privacy at work

The undertaking shall disclose the right to privacy at work for its own workforce.

The principle underlying this Disclosure Requirement is to provide an understanding of an undertaking's measures on personal data protection concerning its workforce and the nature and extent of worker surveillance that is conducted.

Q98: Please, rate to what extent do you think S1-26 – Privacy at work

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| G. 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"/> | <input type="radio"/> |
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DR S2-1 - Policies related to value chain workers

The undertaking shall state its policies that address the management of its material impacts on value chain workers, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on value chain workers specifically, as well as policies that cover material risks or opportunities related to value chain workers, or policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the value chain workers whose interests they address, are made aware of their existence and content.

Q99: Please, rate to what extent do you think S2-1 – Policies related to value chain workers

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Preliminary notes on cost-benefit-balance:

(1) Please note, our answer refers to the single disclosure requirement subject to this dedicated question without considering all disclosure requirements proposed for the Exposure draft on ESRS S2. Our opinion on this question regarding all disclosure requirements of this Exposure draft is contained in our answer on question Q46.

(2) Cost-benefit-analysis to be assessed by constituents of that consultation has not yet been provided by EFRAG. We point out to the fact that the answers collected on question E cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, in general.

In addition, main critical points regarding DR S2-1 are:

The high volume of granular information about the policies carries the risk of information overload and is therefore questionable from the cost/benefit considerations. Therefore, the focus should be on the summary of the content of the policies. Provided that such a public policy contains all the required information, a link to this relevant policy should be considered sufficient for compliance with the DR S2-1. No additional information besides the link should be required.

F:

The reference table in the Basis for Conclusions to the Exposure draft on ESRS S2 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the Basis for Conclusions has been published late in the consultation process and that the CSRD was not yet finally adopted at the time of preparing the feedback on ESRS S2 through this survey.

Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with relevant EU policies and other EU legislation.

However, we recommend EFRAG to consider all relevant EU policies and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is imperative to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

Further, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). In addition, it should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

G:

The reference table in the Basis for Conclusions to the draft ESRS S2 presents the international Human Rights instruments the PTF-ESRS has considered for the development of the disclosure requirements of draft ESRS S2. The ASCG notes that the Basis for Conclusions has been published late in the consultation process. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “aligned as possible” to international sustainability standards.

A: The focus should be on the summary of the content of the policies. The high volume of granular information carries the risk of information overload.

A: Where a policy is publicly available, the undertaking should be able to provide a link to the policy. Provided that such a public policy contains all the required information, no additional information besides the link should be required.

H: Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I: The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S2-2 - Processes for engaging with value chain workers about impacts

The undertaking shall explain its general processes for engaging with value chain workers and their representatives about actual and potential material impacts on them.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages, as part of its ongoing due diligence process, with value chain workers and related trade union and worker representatives about material actual and potential positive and/or negative impacts that do or may affect them, and whether and how perspectives of value chain workers are taken into account in the decision-making processes of the undertaking.

Q100: Please, rate to what extent do you think S2-2 – Processes for engaging with value chain workers about impacts

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
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Please see our remarks in the textbox on Q96.F.

G:

Please see our remarks in the textbox on Q96.G.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S2-3 – Channels for value chain workers to raise concerns

The undertaking shall describe:

1. the channels it has in place for value chain workers to raise their concerns or needs directly with the undertaking; and/or
2. the processes through which the undertaking supports the availability of such channels through the workplace of value chain workers; and
3. how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which value chain workers can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of grievance mechanisms in the workplace of value chain workers, how there is follow up with these workers regarding the issues raised and the effectiveness of these channels.

Q101: Please, rate to what extent do you think S2-3 – Channels for value chain workers to raise concerns

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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Please see our remarks in the textbox on Q96.G.

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Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S2-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The undertaking shall explain the outcome-oriented targets it may have related to:

1. reducing negative impacts on value chain workers; and/or
2. advancing positive impacts on value chain workers; and/or
3. managing material risks and opportunities related to value chain workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure its progress in addressing negative impacts, and/or advancing positive impacts, on value chain workers, and/or in managing material risks and opportunities related to value chain workers.

Q102: Please, rate to what extent do you think S2-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q96.E in this survey.

F:

Please see our remarks in the textbox on Q96.F.

G:

Please see our remarks in the textbox on Q96.G.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

3C. Adequacy of Disclosure Requirements – Social standards (4/4)

DR S2-5 - Taking action on material impacts on value chain workers and effectiveness of those actions

The undertaking shall explain:

1. what action is planned or underway to prevent, mitigate or remedy material negative impacts on value chain workers that are connected to its operations, products or services;
2. any additional initiatives or processes it has in place with the primary purpose of delivering positive impacts for value chain workers; and
3. how it assesses the effectiveness of these actions, programmes and processes in delivering intended outcomes for value chain workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the types of process, initiative or engagement through which the undertaking (a) works to prevent, mitigate and remedy material impacts on value chain workers, or (b) seeks to achieve positive impacts for value chain

workers, recognising that in both instances, the ultimate aim is to deliver improved outcomes in workers' lives.

Q103: Please, rate to what extent do you think S2-5 – Taking action on material impacts on value chain workers and effectiveness of those actions

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

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F:

Please see our remarks in the textbox on Q96.F.

G:

Please see our remarks in the textbox on Q96.G.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S2-5 and S2-6 implement the principle of double materiality: DR S2-5 aims to prevent, mitigate or remedy material negative impacts on the value chain workers while DR S2-6 aims to mitigate material risks for the undertaking itself. Provided our understanding is correct, we agree with the content of DR S2-5 and S2-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S2-5 is about the risks and opportunities arising from the undertaking's operations on the value chain workers, while DR S2-6 is about the risks and opportunities arising for the undertaking due to the value chain workers issues.

DR S2-6 - Approaches to mitigating material risks and pursuing material opportunities related to value chain workers

The undertaking shall explain:

1. what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on value chain workers; and
2. what action is planned or underway to pursue material opportunities for the undertaking in relation to value chain workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to workers in its value chain.

Q104: Please, rate to what extent do you think S2-6 – Approaches to mitigating material risks and pursuing material opportunities related to value chain workers

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

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G:

Please see our remarks in the textbox on Q96.G.

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General remark: We understand that DR S2-5 and S2-6 implement the principle of double materiality: DR S2-5 aims to prevent, mitigate or remedy material negative impacts on the value chain workers while DR S2-6 aims to mitigate material risks for the undertaking itself. Provided our understanding is correct, we agree with the content of DR S2-5 and S2-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S2-5 is about the risks and opportunities arising from the undertaking's operations on the value chain workers, while DR S2-6 is about the risks and opportunities arising for the undertaking due to the value chain workers issues.

DR S3-1 – Policies related to affected communities

The undertaking shall state its policies that address the management of its material impacts on communities, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on local communities specifically, as well as policies that cover material risks or opportunities related to affected communities, or policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the local communities whose interests they address, are made aware of their existence and content.

Q105: Please, rate to what extent do you think S3-1 – Policies related to affected communities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Preliminary notes on cost-benefit-balance:

(1) Please note, our answer refers to the single disclosure requirement subject to this dedicated question without considering all disclosure requirements proposed for the Exposure draft on ESRS S3. Our opinion on this question regarding all disclosure requirements of this Exposure draft is contained in our answer on question Q47.

(2) Cost-benefit-analysis to be assessed by constituents of that consultation has not yet been provided by EFRAG. We point out to the fact that the answers collected on question E cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, in general.

In addition, main critical points regarding DR S3-1 are:

The high volume of granular information about the policies carries the risk of information overload and is therefore questionable from the cost/benefit considerations. Therefore, the focus should be on the summary of the content of the policies. Provided that such a public policy contains all the required information, a link to this relevant policy should be considered sufficient for compliance with the DR S3-1. No additional information besides the link should be required.

F:

The reference table in the Basis for Conclusions to the Exposure draft on ESRS S3 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the Basis for Conclusions has been published late in the consultation process and that the CSRD was not yet finally adopted at the time of preparing the feedback on ESRS S3 through this survey.

Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with relevant EU policies and other EU legislation.

However, we recommend EFRAG to consider all relevant EU policies and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is imperative to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

Further, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). In addition, it should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

G:

The reference table in the Basis for Conclusions to the draft ESRS S3 presents the international Human Rights instruments the PTF-ESRS has considered for the development of the disclosure requirements of draft ESRS S3. The ASCG notes that the Basis for Conclusions has been published late in the consultation process. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “aligned as possible” to international sustainability standards.

A:

The focus should be on the summary of the content of the policies. The high volume of granular information carries the risk of information overload.

Where a policy is publicly available, the undertaking should be able to provide a link to the policy. Provided that such a public policy contains all the required information, no additional information besides the link should be required.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S3-2 – Processes for engaging with affected communities about impacts

The undertaking shall explain its general processes for engaging with affected communities and their representatives about actual and potential material impacts on them.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages as part of its ongoing due diligence process with affected communities about material actual and potential positive and/or negative impacts that do or may affect them, and whether and how perspectives of affected communities are taken into account in the decision-making processes of the undertaking.

Q106: Please, rate to what extent do you think S3-2 – Processes for engaging with affected communities about impacts

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q102.E in this survey.

F:

Please see our remarks in the textbox on Q102.F.

G:

Please see our remarks in the textbox on Q102.G.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S3-3 – Channels for affected communities to raise concerns

The undertaking shall describe:

1. the channels it has in place for affected communities to raise their concerns or needs directly with the undertaking; and/or
2. the processes through which the undertaking supports the availability of such channels by its business relationships; and
3. how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which affected communities can make their concerns and needs known directly to the undertaking, and/or through which the undertaking supports the availability of mechanisms by its business relationships, how there is follow up with these communities regarding the issues raised, and the effectiveness of these channels.

Q107: Please, rate to what extent do you think S3-3 – Channels for affected communities to raise concerns

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q102.E in this survey.

F:

Please see our remarks in the textbox on Q102.F.

G:

Please see our remarks in the textbox on Q102.G.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S3-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The undertaking shall explain the outcome-oriented targets it may have related to:

1. reducing negative impacts on affected communities; and/or
2. advancing positive impacts on affected communities; and/or
3. managing material risks and opportunities related to affected communities.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure progress in addressing negative impacts, and/or advancing positive impacts, on affected communities.

Q108: Please, rate to what extent do you think S3-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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Please see our remarks in the textbox on Q102.F.

G:

Please see our remarks in the textbox on Q102.G.

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Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S3-5 – Taking action on material impacts on affected communities and effectiveness of those actions

Q109: Please, rate to what extent do you think S3-5 – Taking action on material impacts on affected communities and effectiveness of those actions

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q102.E in this survey.

F:

Please see our remarks in the textbox on Q102.F.

G:

Please see our remarks in the textbox on Q102.G.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S3-5 and S3-6 implement the principle of double materiality: DR S3-5 aims to prevent, mitigate or remedy material negative impacts on affected communities while DR S3-6 aims to mitigate material risks for the undertaking itself. Provided our understanding is correct, we agree with the content of DR S3-5 and S3-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S3-5 is about the risks and opportunities arising from the undertaking's operations on affected communities, while DR S3-6 is about the risks and opportunities arising for the undertaking due to affected communities.

DR S3-6 - Approaches to mitigating material risks and pursuing material opportunities related to affected communities

The undertaking shall explain:

1. what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on local communities; and
2. what action is planned or underway to pursue material opportunities for the undertaking in relation to local communities.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to affected communities.

Q110: Please, rate to what extent do you think S3-6 – Approaches to mitigating material risks and pursuing material opportunities related to affected communities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q102.E in this survey.

F:

Please see our remarks in the textbox on Q102.F.

G:

Please see our remarks in the textbox on Q102.G.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S3-5 and S3-6 implement the principle of double materiality: DR S3-5 aims to prevent, mitigate or remedy material negative impacts on affected communities while DR S3-6 aims to mitigate material risks for the undertaking itself. Provided our understanding is correct, we agree with the content of DR S3-5 and S3-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S3-5 is about the risks and opportunities arising from the undertaking's operations on affected communities, while DR S3-6 is about the risks and opportunities arising for the undertaking due to affected communities.

DR S4-1 – Policies related to consumers and end-users

The undertaking shall state its policies that address the management of its material impacts of its products and/or services on consumers and end-users, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of impacts on consumers and end-users specifically, as well as policies that cover material risks or opportunities related to consumers and end-users, or policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the consumers and end-users whose interests they address, are made aware of their existence and content.

Q111: Please, rate to what extent do you think S4-1 – Policies related to consumers and end-users

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Preliminary notes on cost-benefit-balance:

(1) Please note, our answer refers to the single disclosure requirement subject to this dedicated question without considering all disclosure requirements proposed for the Exposure draft on ESRS S4. Our opinion on this question regarding all disclosure requirements of this Exposure draft is contained in our answer on question Q48.

(2) Cost-benefit-analysis to be assessed by constituents of that consultation has not yet been provided by EFRAG. We point out to the fact that the answers collected on question E cannot make up for a sufficient a cost-benefit-analysis by EFRAG itself. Therefore, cost-benefit-balance seems questionable, in general.

In addition, main critical points regarding DR S4-1 are:

The high volume of granular information about the policies carries the risk of information overload and is therefore questionable from the cost/benefit considerations. Therefore, the focus should be on the summary of the content of the policies. Provided that such a public policy contains all the required information, a link to this relevant policy should be considered sufficient for compliance with the DR S4-1. No additional information besides the link should be required.

F:

The reference table in the Basis for Conclusions to the Exposure draft on ESRS S4 presents relevant sources the PTF-ESRS has considered for the development of the disclosure requirements. The ASCG notes that the Basis for Conclusions has been published late in the consultation process and that the CSRD was not yet finally adopted at the time of preparing the feedback on ESRS S4 through this survey.

Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “sufficiently consistent” with relevant EU policies and other EU legislation.

However, we recommend EFRAG to consider all relevant EU policies and other EU legislation for the development of the disclosure requirements within the ESRS. ESRS should represent a complete European set of rules for sustainability reporting, which should bundle all European sustainability-related disclosure requirements. The existence of several policies and legislations containing redundant or supplementary sustainability-related disclosure requirements should be avoided. In the further development of sustainability reporting, it is imperative to ensure that new disclosure requirements are covered within the ESRS and not in separate EU policies and EU directives.

Further, the requirements of the ESRS should be aligned with the requirements of the proposal for a Directive on corporate sustainability due diligence (COM(2022) 71 final). In addition, it should be further clarified how the CSRD and the proposal for a Directive on corporate sustainability due diligence interact with each other.

G:

The reference table in the Basis for Conclusions to the draft ESRS S4 presents the international Human Rights instruments the PTF-ESRS has considered for the development of the disclosure requirements of draft ESRS S3. The ASCG notes that the Basis for Conclusions has been published late in the consultation process. Therefore, the ASCG has not been in the position to conclusively assess whether or not the requirements proposed are “aligned as possible” to international sustainability standards.

A:

The focus should be on the summary of the content of the policies. The high volume of granular information carries the risk of information overload.

Where a policy is publicly available, the undertaking should be able to provide a link to the policy. Provided that such a public policy contains all the required information, no additional information besides the link should be required.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S4-2 – Processes for engaging with consumers and end-users about impacts

The undertaking shall explain its general processes for engaging with consumers and end-users and their representatives about actual and potential material impacts on them.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages as part of its ongoing due diligence process with consumers and end-users about material actual and potential positive and/or negative impacts that do or may affect them, and whether and how perspectives of consumers and end-users are taken into account in the decision-making processes of the undertaking.

Q112: Please, rate to what extent do you think S4-2 – Processes for engaging with consumers and end-users about impacts

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q108.E in this survey.

F:

Please see our remarks in the textbox on Q108.F.

G:

Please see our remarks in the textbox on Q108.G.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S4-3 – Channels for consumers and end-users to raise concerns

The undertaking shall describe:

1. the channels it has in place for consumers and end-users to raise their concerns/complaints or needs directly with the undertaking; and/or
2. the processes through which the undertaking supports the availability of mechanisms by its business relationships; and
3. how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which consumers and end-users can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of mechanisms by its business relationships, how there is follow up with these consumers and end-users regarding the issues raised, and the effectiveness of these channels.

Q113: Please, rate to what extent do you think S4-3 – Channels for consumers and end-users to raise concerns

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q108.E in this survey.

F:

Please see our remarks in the textbox on Q108.F.

G:

Please see our remarks in the textbox on Q108.G.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S4-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The undertaking shall explain the outcome-oriented targets it may have related to:

1. reducing negative impacts on consumers and end-users; and/or
2. advancing positive impacts on consumers and end-users; and/or
3. managing material risks and opportunities.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure progress in addressing negative impacts, and/or advancing positive impacts, on consumers and end-users.

Q114: Please, rate to what extent do you think S4-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q108.E in this survey.

F:

Please see our remarks in the textbox on Q108.F.

G:

Please see our remarks in the textbox on Q108.G.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

DR S4-5 – Taking action on material impacts on consumers and end-users and effectiveness of those actions

The undertaking shall explain:

1. what action is planned or underway to prevent, mitigate or remedy material negative impacts on consumers and end-users who are connected to its operations, products or services;
2. any additional initiatives or processes it has in place with the primary purpose of positively contributing to improved social outcomes for consumers and end-users; and
3. how it assesses the effectiveness of these actions, programmes and processes in contributing to intended outcomes for consumers and end-users.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the types of process, initiative or engagement through which the undertaking:

1. works to prevent, mitigate and remedy material impacts on consumers and end-users, and
2. seeks to achieve positive impacts for consumers and end-users, recognising that in both instances, the ultimate aim is to deliver improved outcomes for consumers' and end-users' lives.

Q115: Please, rate to what extent do you think S4-5 – Taking action on material impacts on consumers and end-users and effectiveness of those actions

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q108.E in this survey.

F:

Please see our remarks in the textbox on Q108.F.

G:

Please see our remarks in the textbox on Q108.G.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S4-5 and S4-6 implement the principle of double materiality: DR S4-5 aims to prevent, mitigate or remedy material negative impacts on consumers and end-users who are connected to its operations, products or services while DR S4-6 aims to mitigate material risks for the undertaking itself. Provided our understanding is correct, we agree with the content of DR S4-5 and S4-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S4-5 is about the risks and opportunities arising from the undertaking's operations on consumers and end-users, while DR S4-6 is about the risks and opportunities arising for the undertaking its impacts and dependencies on consumers and end-users.

DR S4-6 – Approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users

The undertaking shall explain:

1. what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on consumers and end-users; and
2. what action is planned or underway to pursue material opportunities for the undertaking in relation to consumers and end-users.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to consumers and end-users.

Q116: Please, rate to what extent do you think S4-6 – Approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

E:

Please see our preliminary notes on the cost-benefit-aspect in the textbox to our answer on Q108.E in this survey.

F:

Please see our remarks in the textbox on Q108.F.

G:

Please see our remarks in the textbox on Q108.G.

H:

Please refer to our comments to Q54 with regard to prioritisation/phasing-in.

I:

The answer to that question requires a detailed analysis. We understand that EFRAG has not yet considered in a final stage the digital guidance on the disclosure requirements. Without a dedicated discussion to be performed by EFRAG first we fail to give a proper assessment on the suitability of the specific disclosure requirement.

General remark: We understand that DR S4-5 and S4-6 implement the principle of double materiality: DR S4-5 aims to prevent, mitigate or remedy material negative impacts on consumers and end-users who are connected to its operations, products or services while DR S4-6 aims to mitigate material risks for the undertaking itself. Provided our understanding is correct, we agree with the content of DR S4-5 and S4-6. However, this should be formulated in a more user-friendly way in the final standard. We recommend EFRAG to rename these both DR. It should be clear from the naming that DR S4-5 is about the risks and opportunities arising from the undertaking's operations on consumers and end-users, while DR S4-6 is about the risks and opportunities arising for the undertaking its impacts and dependencies on consumers and end-users.

3D. Adequacy of Disclosure Requirements – Governance standards (1/2)

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

- when sharing comments on a given Disclosure Requirement, and as much as possible, reference to the specific paragraphs being commented on should be included in the written comments,

- in the question 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.

A complete index of Disclosure Requirements and their corresponding Application Guidance can be found in Appendix I – Navigating the ESRS.

DR G1-1 – Governance structure and composition

The undertaking shall provide information on its governance structure and composition.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the structure and composition of the governance and the distribution of roles and responsibilities throughout the undertaking's organisation, from its administrative, management and supervisory bodies to its executive and operational levels.

Q117: Please, rate to what extent do you think G1-1 – Governance structure and composition

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with these general governance disclosure requirements in ESRS G1, however:
- Structure of ESRS in regard to governance aspects is, however, questionable and should be adjusted
- governance as a reporting area is an excellent example for the need of integrated reporting (a differentiation between governance in general on the one side and sustainability governance on the other side seems artificial and does not support integrating the consideration of sustainability throughout all of the undertaking's organisation)
- duplication with ESRS 1, GOV1-GOV5 needs to be avoided and addressed in restructuring the ESRS; the current structure results in duplications and therefore burdensome, less understandable and less comprehensible disclosure
- alignment with other EU-requirement is crucial, but currently questionable. In addition to ESRS governance related requirements there are numerous other governance-related requirements that will co-exists in addition to ESRS (e.g., Art. 20 of the Accounting Directive)
- As for the question of prioritization: information on the general governance-structure are essential for sustainability reporting and should therefore be prioritized.

DR G1-2 – Corporate governance code or policy

The undertaking shall disclose the corporate governance code, policy or practices that determine the function of its administrative, management or supervisory bodies.

The principle to be followed under this Disclosure Requirement is to provide information about any legal or regulatory requirements that mandate and influence the design of the governance structure of the undertaking, together with information on aspects implemented that are over and above any relevant legal or regulatory requirements.

Q118: Please, rate to what extent do you think G1-2 – Corporate governance code or policy

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- See general comments to ESRS G1-1:
- However, no duplication to be expected within ESRS DR (however, duplication with information required through other regulation outside the ESRS).

DR G1-3 – Nomination process

The undertaking shall provide information about the nomination and selection processes for its administrative, management and supervisory bodies.

The principle to be followed under this Disclosure Requirement is to provide information about the criteria used for selecting and nominating the members of the undertaking's administrative, management and supervisory bodies.

Q119: Please, rate to what extent do you think G1-3 – Nomination process

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with these governance disclosure requirements, however:
- See general comments to ESRS G1-1.

DR G1-4 – Diversity policy

The undertaking shall provide information on the diversity policy applied in relation to its administrative, management and supervisory bodies.

The principle to be followed under this Disclosure Requirement is to provide information about the undertaking's diversity policy to promote a diversified composition of its administrative, management and supervisory bodies. This shall also include the diversity criteria adopted with the associated rationale on their prioritisation, and the mechanism adopted to foster diversity representation.

Q120: Please, rate to what extent do you think G1-4 – Diversity policy

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with these governance disclosure requirements, however:
- See general comments to ESRS G1-1.

DR G1-5 – Evaluation process

The undertaking shall describe the process, if any, followed for evaluating the performance of its administrative, management and supervisory bodies in overseeing the management of the undertaking.

The principle to be followed under this Disclosure Requirement is to provide transparency on the process implemented by the undertaking for the evaluation of the performance of its administrative, management and supervisory bodies in supervising the management of the undertaking.

Q121: Please, rate to what extent do you think G1-5 – Evaluation process

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with these governance disclosure requirements, however:
- See general comments to ESRS G1-1.

DR G1-6 – Remuneration policy

The undertaking shall describe the policy used for the remuneration of its administrative, management and supervisory bodies.

The principle to be followed under this Disclosure Requirement is to provide information about the undertaking's policy for the remuneration of the administrative, management and supervisory bodies.

Q122: Please, rate to what extent do you think G1-6 – Remuneration policy

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with these governance disclosure requirements, however:
- See general comments to ESRS G1-1.
- Here in particular duplication is expected with regards to the EU Shareholder Rights Directive (requirements of current remuneration report beyond ESRS G1-6); this example illustrates the need to develop a concise governance concept for the EU in general, in which the various existing legislation – including ESRS – are integrated.

DR G1-7 – Risk management processes

The undertaking shall provide information on its risk management processes, with regards to risk arising for the undertaking and for the stakeholders.

The principle to be followed under this Disclosure Requirement is to inform about the undertaking's risk management processes. This includes an understanding of the supervision and monitoring of risk management by the undertaking's administrative, management and supervisory bodies.

Q123: Please, rate to what extent do you think G1-7 – Risk management processes

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with these governance disclosure requirements, however:
- See general comments to ESRS G1-1.

DR G1-8 – Internal control processes

The undertaking shall provide information on its internal control processes, including in relation to the sustainability reporting process.

The principle to be followed under this Disclosure Requirement is to inform about the aspects related to the governance factors that affect the undertaking's internal control processes, including in relation to sustainability reporting. This also includes an understanding of the supervision and monitoring of those processes by the undertaking's administrative, management and supervisory bodies.

Q124: Please, rate to what extent do you think G1-8 – Internal control processes

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with these governance disclosure requirements, however:
- See general comments to ESRS G1-1.

DR G1-9 – Composition of the administrative, management and supervisory bodies

The undertaking shall provide information about the composition of its administrative, supervisory and management bodies.

The principle to be followed under this Disclosure Requirement is to provide information about the diversity of the members of its administrative, management and supervisory bodies and committees.

Q125: Please, rate to what extent do you think G1-9 – Composition of the administrative, management and supervisory

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with these governance disclosure requirements, however:
- See general comments to ESRS G1-1.

DR G1-10 – Meetings and attendance rate

The undertaking shall provide information about the number of meetings and the attendance rate for its administrative, management and supervisory bodies and committees.

The principle to be followed under this Disclosure Requirement is to provide information about the rate of participation in meetings of the members of the administrative, management and supervisory bodies and committees.

Q126: Please, rate to what extent do you think G1-10 – Composition of the administrative, management and supervisory bodies and committees

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with these governance disclosure requirements, however:
- See general comments to ESRS G1-1
- Here particularly: duplication expected in comparison with report of the supervisory board.

DR G2-1– Business conduct culture

The undertaking shall disclose its initiatives to establish, develop and promote a business conduct culture.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the administrative, management and supervisory bodies are involved in forming, monitoring, promoting and assessing the business conduct culture.

Q127: Please, rate to what extent do you think G2-1 – Business conduct culture

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with this governance disclosure requirement, however:
- See general comments to ESRS G1-1 (risk of duplication regarding information / disclosure on responsibility of boards; business conduct as part of general governance disclosures instead of separate standard G2).
- The prioritization (phase-in-) approach suggested in our answer to Q53 et seq (survey 2) does not include prioritization of G2 (with regard to governance: prioritization suggested for ESRS 1 GOV1-GOV5 and ESRS G1).

DR G2-2 – Policies and targets on business conduct

The undertaking shall provide information about its policies with respect to business conduct matters.

The principle to be followed under this disclosure requirement is to provide an understanding of the undertaking's ability (i) to mitigate any negative impacts and maximise positive impacts related to business conduct throughout its value chain, and (ii) to monitor and manage the related risks.

Q128: Please, rate to what extent do you think G2-2 – Policies and targets on business conduct

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with this governance disclosure requirement, however:
- See general comments to ESRS G1-1 (risk of duplication regarding information / disclosure regarding business conduct as a separate aspect, where it is also part of general / sustainability governance disclosures)
- The prioritization (phase-in-) approach suggested in our answer to Q53 et seq (survey 2) does not include prioritization of G2 (with regard to governance: prioritization suggested for ESRS 1 GOV1-GOV5 and ESRS G1).

3D. Adequacy of Disclosure Requirements – Governance standards (2/2)

DR G2-3 – Prevention and detection of corruption and bribery

The undertaking shall provide information about its system to prevent and detect, investigate, and respond to allegations or incidents relating to corruption and bribery.

The principle to be followed under this disclosure requirement is to provide transparency on the key procedures of the undertaking to prevent and detect, investigate and respond to corruption or bribery-related incidents or allegations.

Q129: Please, rate to what extent do you think G2-3 – Prevention and detection of corruption and bribery

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with this governance disclosure requirement
- Separate requirement appropriate – as it addresses a specific separate aspect
- The prioritization (phase-in-) approach suggested in our answer to Q53 et seq (survey 2) does not include prioritization of G2 (with regard to governance: prioritization suggested for ESRS 1 GOV1-GOV5 and ESRS G1).

DR G2-4 – Anti-competitive behaviour prevention and detection

The undertaking shall provide information about its system to prevent and detect, investigate, and respond to allegations or incidents relating to anti-competitive behaviour.

The principle to be followed under this disclosure requirement is to provide transparency on the key procedures of the undertaking to prevent and detect, investigate and respond to allegations or incidents of anti-competitive behaviour.

Q130: Please, rate to what extent do you think G2-4 – Anti-competitive behaviour prevention and detection

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with this governance disclosure requirement
- Separate requirement appropriate – as it addresses a specific separate aspect
- The prioritization (phase-in-) approach suggested in our answer to Q53 et seq (survey 2) does not include prioritization of G2 (with regard to governance: prioritization suggested for ESRS 1 GOV1-GOV5 and ESRS G1).

DR G2-5 – Anti-corruption and anti-bribery training

The undertaking shall provide information about any anti-corruption and anti-bribery training programmes offered.

The principle to be followed under this disclosure requirement is to provide an understanding of the undertaking's training and educational initiatives to develop and maintain awareness related to anti-corruption or anti-bribery and business conduct within the undertaking as well as in the value chain.

Q131: Please, rate to what extent do you think G2-5 – Anti-corruption and anti-bribery training

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with this governance disclosure requirement
- Separate requirement appropriate – as it addresses a specific separate aspect
- We do not agree fully as information on anti-corruption and anti-bribery training and educational initiatives are in part too detailed and therefore relevance / decision usefulness for stakeholders is limited.
- The prioritization (phase-in-) approach suggested in our answer to Q53 et seq (survey 2) does not include prioritization of G2 (with regard to governance: prioritization suggested for ESRS 1 GOV1-GOV5 and ESRS G1).

DR G2-6 – Corruption or bribery events

The undertaking shall provide information on legal proceedings related to corruption or bribery during the reporting period.

The principle to be followed under this disclosure requirement is to provide transparency on legal proceedings relating to corruption or bribery incidents during the reporting period and the related outcomes.

Q132: Please, rate to what extent do you think G2-6 – Corruption or bribery events

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with this governance disclosure requirement
- Separate requirement appropriate – as it addresses a specific separate aspect
- The prioritization (phase-in-) approach suggested in our answer to Q53 et seq (survey 2) does not include prioritization of G2 (with regard to governance: prioritization suggested for ESRS 1 GOV1-GOV5 and ESRS G1).

DR G2-7 – Anti-competitive behaviour events

The undertaking shall provide information on any publicly announced investigation into or litigation concerning possible anti-competitive behaviour it is facing during the reporting period.

The principle to be followed under this disclosure requirement is to provide transparency on publicly announced investigations into or litigation concerning possible anti-competitive behaviour of the undertaking that are ongoing during the reporting period.

Q133: Please, rate to what extent do you think G2-7 – Anti-competitive behaviour events

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Agreement with this governance disclosure requirement
- Separate requirement appropriate – as it addresses a specific separate aspect
- The prioritization (phase-in-) approach suggested in our answer to Q53 et seq (survey 2) does not include prioritization of G2 (with regard to governance: prioritization suggested for ESRS 1 GOV1-GOV5 and ESRS G1).

DR G2-8 – Beneficial ownership

The undertaking shall provide information about its beneficial owners (as defined in article 3(6) of Directive (EU) 2015/849) and control structure.

The principle to be followed under this disclosure requirement is to provide transparency on the individuals who ultimately own or control the undertaking's organisational and control structure, including beneficial owners.

Q134: Please, rate to what extent do you think G2-8 – Beneficial ownership

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- Information about the beneficial ownership and the control structure are essential to understand for stakeholders of an undertaking;
- However, there are other EU regulation addressing these aspects; ESRS G2 needs to be aligned with these (see Money Laundering Directive), duplication needs to be avoided;
- Furthermore, in the light of the connectivity between financial and sustainability information it might be worth analysing possible overlaps with financial reporting (e.g. financial reporting information on control subject to IFRS 10-12, on related party disclosures subject to IAS 24);
- The prioritization (phase-in-) approach suggested in our answer to Q53 et seq (survey 2) does not include prioritization of G2 (with regard to governance: prioritization suggested for ESRS 1 GOV1-GOV5 and ESRS G1).

DR G2-9 – Political engagement and lobbying activities

The undertaking shall provide information on its political contributions and lobbying or advocacy activities.

The principle to be followed under this disclosure requirement is to provide transparency on the types, purpose and cost of political contributions and lobbying activities of the undertaking during the reporting period.

Q135: Please, rate to what extent do you think G2-9 – Political engagement and lobbying activities

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- There are other European requirements in place requiring companies to report on their lobbying activities; duplications reduced cost-benefit-ratio and needs to be avoided;
- Alignment with other governance requirements across European legislations is essential.

DR G2-10 – Payment practices

The undertaking shall provide information on the payment practices to support transparency about these practices given the importance of timely cash flows to business partners.

The principle to be followed under this disclosure requirement is to provide insights on the contractual payment terms and the average actual payments.

Q136: Please, rate to what extent do you think G2-10 – Payment practices

| | Not at all | To a limited extent with strong reservations | To a large extent with some reservations | Fully | No opinion | Not applicable |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| A. Requires relevant information about the sustainability matter covered | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. 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 checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. 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"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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

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

- While we acknowledge the objective to allow for transparency regarding the payment practices. However, we do not believe these indicators to be relevant across industries.
- As these indicators do not have sector-agnostic relevance these indicators should therefore be required depending on the industry (i.e., sector specific requirement, for example relevant in the agriculture sector);
- EFRAG should consider different indicators to ensure transparency regarding the undertakings' payment practices.
- The prioritization (phase-in-) approach suggested in our answer to Q53 et seq (survey 2) does not include prioritization of G2 (with regard to governance: prioritization suggested for ESRS 1 GOV1-GOV5 and ESRS G1).

Payment delays complicate the financial management of undertakings, especially SMEs[1], who rely on predictable flows of cash to operate. According to the relevant EU legislation (Directive 2011/7/EU) a payment is late when the creditor has not received the funds at the expiry of the period negotiated in the contract. And yet, even payments performed within the contractually negotiated period can hide unfair payment practices. Very often businesses accept payment terms longer than they are comfortable with[2], as such terms may reflect the one party's power compared to the other, such as by virtue of its size or brand.

[1] SMEs (Small and Medium-sized enterprises) are defined according to the Commission Recommendation 2003/361/EC https://ec.europa.eu/growth/smes/sme-definition_en

[2] According to the Intrum European payment Report 2021, on average 49% of businesses in the EU accepted payment terms longer than they are comfortable with out of fear of losing their customers or damaging business relations.

Q137: do you consider that the indicators in G2-10 (in isolation or jointly) capture the following sufficiently:

| | Yes | No | No opinion |
|---------------------------------------------------------------------------------------|----------------------------------|----------------------------------|-----------------------|
| the extent to which accounts payable or creditors at period end have been outstanding | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| the fairness of the undertaking's payment practices | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

If not, please provide your rationale and indicate the sector(s) for which you deem add-ons necessary.

See comment above.

- Indicators are not of sector-agnostic relevance,
- Indicators should be part of sector-specific requirements

Q 138: what alternative indicators would you propose? Please specify whether your proposal(s) are of sector-agnostic or sector-specific nature.

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

Contact

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