

EFRAG-Konsultation „European Sustainability Reporting Standards“

Fragebogen

3D. Adequacy of Disclosure Requirements – Governance standards

**VORLÄUFIGER ARBEITSSTAND der BEURTEILUNG der ED ESRS
durch das DRSC**

3D. Adequacy of Disclosure Requirements – Governance standards

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.

Q114: Please, rate to what extent do you think G1-1 – Governance structure and composition

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information			x			
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	x					
H. Represent information that must be prioritised in first year of implementation				x		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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.

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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.

Q115: Please, rate to what extent do you think G1-2 – Corporate governance code or policy

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				X		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				X		
C. Can be verified / assured				X		
D. Meets the other objectives of the CSRD in term of quality of information				X		
E. Reaches a reasonable cost / benefit balance			X			
F. Is sufficiently consistent with relevant EU policies and other EU	X					
G. Is as aligned as possible to international sustainability standards given the CSRD	X					
H. Represent information that must be prioritised in first year of implementation				X		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings					X	

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.

Q116: Please, rate to what extent do you think G1-3 – Nomination process

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information			x			
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	x					
H. Represent information that must be prioritised in first year of implementation				x		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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 ESRG 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.

Q117: Please, rate to what extent do you think G1-4 – Diversity policy

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information			x			
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD	x					
H. Represent information that must be prioritised in first year of implementation				x		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings					x	

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 G1-5 – 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.

Q118: Please, rate to what extent do you think G1-5 – Evaluation process

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information			x			
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	x					
H. Represent information that must be prioritised in first year of implementation				x		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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.

Q119: Please, rate to what extent do you think G1-6 – Remuneration policy

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information			x			
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	x					
H. Represent information that must be prioritised in first year of implementation				x		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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.

Q120: Please, rate to what extent do you think G1-7 – Risk management processes

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information			x			
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	x					
H. Represent information that must be prioritised in first year of implementation				x		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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.

Q121: Please, rate to what extent do you think G1-8 – Internal control processes

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information			x			
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	x					
H. Represent information that must be prioritised in first year of implementation				x		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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.

Q122: Please, rate to what extent do you think G1-9 – Composition of the administrative, management and supervisory

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information			x			
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	x					
H. Represent information that must be prioritised in first year of implementation				x		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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.

Q123: Please, rate to what extent do you think G1-10 – Composition of the administrative, management and supervisory

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information			x			
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	x					
H. Represent information that must be prioritised in first year of implementation				x		
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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 **D**isclosure **R**equirement 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.

Q124: Please, rate to what extent do you think G2-1 – Business conduct culture

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information			x			
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	x					
H. Represent information that must be prioritised in first year of implementation	x					
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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.

Q125: Please, rate to what extent do you think G2-2 – Policies and targets on business conduct

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information			x			
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	x					
H. Represent information that must be prioritised in first year of implementation	x					
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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).

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.

Q126: Please, rate to what extent do you think G2-3 – Prevention and detection of corruption and bribery

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				x		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information				x		
E. Reaches a reasonable cost / benefit balance				x		
F. Is sufficiently consistent with relevant EU policies and other EU					x	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					x	
H. Represent information that must be prioritised in first year of implementation	x					
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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.

Q127: Please, rate to what extent do you think G2-4 – Anti-competitive behaviour prevention and detection

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				x		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information				x		
E. Reaches a reasonable cost / benefit balance				x		
F. Is sufficiently consistent with relevant EU policies and other EU					x	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					x	
H. Represent information that must be prioritised in first year of implementation	x					
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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.

Q128: Please, rate to what extent do you think G2-5 – Anti-corruption and anti-bribery training

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information				x		
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU					x	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					x	
H. Represent information that must be prioritised in first year of implementation	x					
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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).

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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.

Q129: Please, rate to what extent do you think G2-6 – Corruption or bribery events

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				x		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information				x		
E. Reaches a reasonable cost / benefit balance				x		
F. Is sufficiently consistent with relevant EU policies and other EU					x	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					x	
H. Represent information that must be prioritised in first year of implementation	x					
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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.

Q130: Please, rate to what extent do you think G2-7 – Anti-competitive behaviour events

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				x		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information				x		
E. Reaches a reasonable cost / benefit balance				x		
F. Is sufficiently consistent with relevant EU policies and other EU					x	
G. Is as aligned as possible to international sustainability standards given the CSRD					x	
H. Represent information that must be prioritised in first year of implementation	x					
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings					x	

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.

Q131: Please, rate to what extent do you think G2-8 – Beneficial ownership

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability				x		
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information		x				
E. Reaches a reasonable cost / benefit balance		x				
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					x	
H. Represent information that must be prioritised in first year of implementation	x					
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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).

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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.

Q132: Please, rate to what extent do you think G2-9 – Political engagement and lobbying activities

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability			x			
B. Requires information that is relevant for all sectors (sector-agnostic only information)				x		
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information				x		
E. Reaches a reasonable cost / benefit balance			x			
F. Is sufficiently consistent with relevant EU policies and other EU	x					
G. Is as aligned as possible to international sustainability standards given the CSRD requirements					x	
H. Represent information that must be prioritised in first year of implementation	x					
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or					x	

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.

Q133: Please, rate to what extent do you think G2-10 – Payment practices

1/ Not at all 2/ To a limited extent with strong reservations, 3/ To a large extent with some reservations 4/ Fully 5/ No opinion 6/ Not applicable

	1	2	3	4	5	6
A. Requires relevant information about the sustainability		x				
B. Requires information that is relevant for all sectors (sector-agnostic only information)			x			
C. Can be verified / assured				x		
D. Meets the other objectives of the CSRD in term of quality of information					x	
E. Reaches a reasonable cost / benefit balance		x				
F. Is sufficiently consistent with relevant EU policies and other EU					x	
G. Is as aligned as possible to international sustainability standards given the CSRD					x	
H. Represent information that must be prioritised in first year of implementation	x					
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings					x	

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 SMEs¹, 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 with², as such terms may reflect the one party's power compared to the other, such as by virtue of its size or brand

Q134: 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	x		
the fairness of the undertaking's payment practices		x	

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 135: what alternative indicators would you propose? Please specify whether your proposal(s) are of sector-agnostic or sector-specific nature.

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.