Deutsches Rechnungslegungs Standards Committee e.V.

Accounting Standards Committee of Germany

DRSC

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Revised ESRS Draft XBRL Taxonomy September 2026 Public Consultation Survey

Dear Kristian, dear Chiara,

on behalf of the Deutsche Rechnungslegungs Standards Committee (DRSC) I am writing to comment on EFRAG's 2026 Revised ESRS Draft XBRL Taxonomy. We appreciate the opportunity to comment on the draft XBRL Taxonomy.

The views expressed in this comment letter are the result of discussions within the DRSC's Sustainability Reporting Technical Committee and a working group established together with XBRL Germany to discuss the 2024 ESRS Draft XBRL Taxonomy and the 2026 Revised ESRS Draft XBRL Taxonomy. In addition, we hosted two public discussions regarding the 2024 ESRS Draft XBRL Taxonomy.

We welcome the progress made through this consultation towards clarifying the requirements of Article 29d of the Accounting Directive (Directive 2013/34/EU). We understand the process for implementing Article 29d of the Accounting Directive to mean that EFRAG was mandated to develop the draft XBRL Taxonomy as a technical transposition of the reporting requirements of the revised ESRS (European Sustainability Reporting Standards, Delegated Regulation (EU) 2026/1563). Once finalised, the XBRL Taxonomy will be the basis for ESMA (European Securities and Market Authority) to develop a draft RTS (Regulatory Technical Standards) to amend the ESEF Regulation (Delegated Regulation (EU) 2019/815). This draft RTS will also include tagging and validation rules and will also be subject to a public consultation in the first quarter of 2027. Although EFRAG and ESMA therefore have different mandates, the two

mandates are interconnected, as the architecture of the XBRL Taxonomy cannot be considered without the tagging rules. Our comments will therefore also address the possible content of the subsequent ESMA consultation and overarching issues of the draft XBRL Taxonomy.

Please find our detailed comments in the appendix to this letter, approved by the DRSC's Sustainability Reporting Technical Committee, which mirrors the comments we submitted via the web-based surveys provided by EFRAG for this consultation. In addition, we would like to highlight certain key and overarching issues in advance:

- Tagging one datapoint with several taxonomy elements should be avoided as far as possible, as such multi-tagging is time-consuming for preparers.
- Regarding the disclosure of tagged information, preparers should not have to fulfil more reporting requirements than required by the ESRS.
- The European Commission and ESMA are called upon to take more account of the needs of users, especially when formulating (granular) tagging rules. The costs of granular tagging of sustainability information on the part of the preparers are only justified if users of sustainability information request and use the tagged information.
- ESMA should only require the use of certain mandatory elements in the future RTS amending the ESEF Regulation instead of tagging the full scope of the taxonomy elements mandatory.
- We deem it necessary to conduct a field test and a comprehensive cost/benefit analysis, including an assessment of alternative options such as the possible role of artificial intelligence, before (granular) tagging rules for sustainability information and especially narrative information are issued. No tagging should be required until the results of the analysis are available. Without a field test, no meaningful and comprehensive cost/benefit analysis can be conducted. However, such an analysis is necessary to properly assess tagging rules. If the proposals to amend the ESEF Regulation are not subject to a prior field test, undertakings are concerned that many application challenges and issues could arise that could have been avoided if the proposals have been tested in a prior field test. The results of the field test and the cost/benefit analysis should be used to define the requirements for tagging.
- Preparers need a stable and complete technical framework at an early stage. This includes final XBRL Taxonomies, clear tagging and validation rules and technical specifications. We therefore emphasise that the final provisions must be published by June at the latest of the financial year to be reported on. Publications later place an excessive burden on preparers, as they unnecessarily complicate the reporting process.

- Reasonable transition periods should be granted, as the tagging of sustainability information is a learning and adaptation process. Undertakings that are required to publish a sustainability report for the first time should not be obliged to apply all tagging rules in their first reporting year. Instead, such undertakings should only be required to tag some of their information in their first reporting years. Such a phased approach has already proved successful in the previous application of the ESEF Regulation. Transitional periods should also apply to the application of new standards, such as the revised ESRS, which are to be mandatory for the first time for the financial year 2027 and should therefore not be tagged for the first time in parallel. A post-implementation review of the marking up rules of the respective phase should be carried out before the start of each new phase to determine whether there is a need for amendments of the requirements. Therefore, the definition and implementation of subsequent phases should be tied to the result of post-implementation reviews.
- Moreover, we propose that a comprehensive review of whether the ESEF format is still fit for purpose and to explore users' needs as regards to ESEF reports. In developing proposals, we believe that new technologies (in particular artificial intelligence) should also be considered. At present, we observe that software based on artificial intelligence can already deliver quite accurate results when analysing financial and sustainability information. Given the high speed of development of artificial intelligence, it can be assumed that, in the near future, artificial intelligence will generate equally valid results in analysing financial and sustainability information (similar as under XBRL tagging). Against this background, we question whether the cost/benefit analysis in favour of the use of iXBRL made when the ESEF was introduced in 2017 is still valid in view of current market needs and the technological environment, taking into account both cost of preparers and benefits for users of financial and sustainability reporting.

Please see the appendix to this letter for detailed explanations on these issues as well es for further remarks on other aspects of the Draft delegated act.

Georg Lanfermann

President

APPENDIX

Questions on the Revised XBRL Taxonomy

Do you agree that the draft XBRL Taxonomy reflects the Revised ESRS text in accordance with the methodology applied (and used for the list of datapoints) and that it will support the digitalisation of sustainability statements prepared in accordance with the Revised ESRS as adopted on 3 July 2026?

Yes, I agree.

The Level-1 narrative XBRL elements covering an entire Disclosure Requirement have been included. Does the inclusion of Level-1 elements in the 2026 XBRL Taxonomy for the revised ESRS improve the usability of the taxonomy and its corresponding digital reports?

Yes, with comments. In general, I agree to include the Level-1 narrative elements in addition to the “Entity-specific” element, but I have a suggestion or additional comment.

Tagging entire reporting requirements using Level 1 elements can provide added value for users by making information – for which no granular taxonomy element exists – machine-readable. The argument put forward by EFRAG regarding improved navigation is also understandable.

However, depending on the future tagging rules under the ESEF Regulation, Level 1 elements could lead to more complex multi-tagging, as the same data point could, for example, be tagged with both a granular Level 3 element and a Level 1 element. It should be noted, however, that tagging with Level 1 elements as such involves far less effort for preparers than granular tagging with Level 3 elements.

Do you agree to implement XBRL validation rules after the first wave of digital ESRS disclosures has been published?

No, and I have a comment or suggestion.

It is currently not possible to confirm whether all validation rules should be omitted in the first year of digital reporting.

Validation rules generally help to ensure high data quality. However, many validation rules relating to ESEF are currently regarded as being of poor quality and of little use.

It therefore depends on exactly which validation rules are to be applied in future and what their quality will be. In principle, however, validation rules can be added later if this improves their quality.

Do you have any other comment or suggestions?

EFRAG, ESMA or the European Commission should establish outreach formats as early as possible to enable preparers, software providers, auditors and users to discuss the challenges posed by the ESEF Regulation. Through such early engagement, EFRAG or ESMA could gain insights into whether certain provisions need to be amended or whether official guidance should be published on specific topics.