

EFRAG Consultation on modified ESRS Set 1 Exposure Drafts – Part 2 – DR Template

Clean Version - 29 October 2025

No.	Explanation & question	Answer (please highlight in yellow)	Comment (max. 300 words)
11	Explanation – Clarifications and simplification of the Double Materiality Assessment (DMA) (ESRS 1 Chapter 3) and materiality of information as the basis for sustainability reporting EFRAG has introduced the following changes which aim to strike a balance between simplification and the necessary robustness of the Double Materiality Assessment (DMA): 1. A new part presenting practical considerations for the DMA has been drafted, including the option of implementing either a bottom-up or top-down approach (Chapter 3.6 of ESRS 1) 2. More prominence has been given to materiality of information as a general filter and all the requirements are subject to it. 3. The relationship of impacts, risks and opportunities, and topics to be reported has been clarified (ESRS 1, paragraph 2 and 22) 4. It has been explicitly allowed to include information about non-material topics (ESRS 1, paragraph 108) if they are presented in a way that avoids obscuring material information 5. Emphasis is put on ESRS being a fair presentation framework, to reinforce the	☐ Yes ☒ Partially agree/Partially disagree ☐ No	Despite welcome simplifications for the DMA, companies already reporting under ESRS will see little immediate relief. We support the option for a top-down approach but recommend removing conditional wording: • AR 18 for 1.48: “Unless more investigation is necessary” • ESRS 1.48: “may avoid”. This clarification will help streamline reporting and reduce audit burden. However, several provisions risk ambiguity and divergent interpretations, potentially triggering disputes with auditors: • 3.2 (22): “The information shall be presented either at topical level or at impacts, risk and opportunity level.” Clarify that reporting at either IRO or topic level is acceptable. • 3.3.1 (34): “Actual impacts in the reporting period include both newly arisen impacts and those persisting from previous periods.” Without specifying the relevant number of past periods, interpretation remains too broad. Companies should be free to assess material past impacts pragmatically,

effectiveness of the materiality principle and avoid excessive documentation effort due to a compliance and checklist approach to the list of datapoints (DP); an explicit statement of compliance with ESRS is included in (ESRS 1, Chapter 2) 6. To avoid excessive detail in reported information, it has been clarified that all the disclosures can be produced either at topical level or at impacts, risks and opportunities (IRO) level, depending on the nature of the IROs and on how they are managed 7. The list of topics in AR 16 (now Appendix A) has been streamlined by eliminating the most detailed sub-sub-topic level and has now an illustrative only and non-mandatory status. 8. More emphasis has been put on the aggregation and disaggregation criteria for reporting information at the right level. Explanations have been provided with respect to the consideration of sites for the DMA and reported information, to avoid long lists of sites being included in the sustainability statement. Please do not comment here in “Gross versus Net” as it is covered by the next question. Question Do you agree that the proposed amendments have sufficiently simplified the DMA process, reinforced the information materiality filter and have succeeded in striking an acceptable balance between simplification and robustness of the DMA? Do you agree that the wording of Chapter 3 of ESRS 1 is sufficiently simplified?		consistent with a principles-based approach. We recommend deleting this sentence. • Par. 30/AR6: Assessing impacts across multiple tiers of the value chain is unworkable. Reporting should focus on tier-1 chains, and only when sufficient confidence exists regarding an impact’s occurrence, severity, and likelihood. Finally, while we agree with using reasonable, supportable information without undue cost or effort, the link to Chapter 3.7 is unclear. Companies should be allowed flexibility to define the most relevant level of aggregation or disaggregation for material IROs, whether by topic or business line.
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12	Explanation – New guidance in ESRS 1 on how to consider remediation, mitigation and prevention actions in assessing materiality of negative impacts Appendix C, which has the same authority as other parts of the Standard, illustrates how to perform the assessment, i.e. before or after the actions that have been taken and have reduced the severity of the impact. The new guidance specifies how to treat actions in DMA differentiating ‘actual’ from ‘potential’ impacts. It also differentiates the current reporting period from the future reporting periods (the latter is relevant as impacts of previous years that are material are also to be reported in the current period). For impacts that are assessed as material, the respective actions are reported (which also include policies implemented through actions). Actual impacts are assessed for materiality before the remediation actions in the reporting period when they occur, while in future periods they are not reported if fully remediated. For potential impacts, when the undertaking must maintain significant ongoing actions to contain severity and/or likelihood below the materiality level, the impact is assessed before the actions are reported. This provision has been introduced to deal with cases such as health and safety negative impacts in highly regulated industries. Some of the EFRAG SRB members consider the added guidelines excessively complex. The approach to disregard implemented actions when assessing materiality of potential impacts, if there are significant ongoing actions, has been the source of split views in the EFRAG SRB. The members that supported the inclusion	☐ Yes ☒ Partially agree/Partially disagree ☐ No	The approach proposed by EFRAG appears complicated. Excluding all mitigation actions from the assessment of impacts in the reporting period could result in over-reporting. Preparers could report many potential negative impacts that are not material due to low likelihood and severity. This seems to differ from how IROs are managed, e.g. in bank’s risk reports (risk is material after considering mitigating actions). We recommend that credible mitigating and remediating actions (e.g. implemented/decided policies, budgets) are always factored in. Appendix C is overly complex. The weight of “mitigation or prevention actions taken to reduce the severity and/or likelihood of potential negative impacts” should be clarified. The preparer can consider the effect of these actions in assessing the materiality of the impact, but it doesn’t clarify how relevant this is when assessing materiality. The distinction between positive and negative impacts should be clarified to ensure consistent application. We recommend a more flexible, principle-based framework rather than the Appendix C’s prescriptive approach. Judging the expected effectiveness of the actions is subjective and could be legally sensitive (also ESRS 2 GDR-A Par.37b). The term "expected outcomes" should be removed throughout.
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	of this provision considered that it would be inappropriate to conclude that due to the high level of prevention and mitigation standards in a sector, a given topic is not reported. On the contrary, other members think that this gross approach to potential impacts will result in excessive reporting. Question Do you agree that the new guidelines clarify how to consider remediation, mitigation and prevention implemented actions in the DMA, contributing to more relevant and comparable reporting?		ESRS 1 Para. 35 lacks clarity: What defines a “significant” mitigation or prevention action? Any future mitigant requires ongoing action even if it is simply training regarding policies. This does not make them invalid, where there is an intent (policy, budget etc.) to ensure their availability. The paragraph should adapt accordingly. In ESRS 1 Par.36 the 2nd & 3rd sentence seem contradictory. Whereas legally required actions cannot be considered positive impacts, but actions mitigating impacts of upstream suppliers can. This is should be clarified. ESRS 1 is not clear how to perform the materiality assessment of risks. If impacts are assessed based on a “net” perspective, also risks should be assessed on a net basis.
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13	Explanation - Improved readability, conciseness and connectivity of ESRS Sustainability Statements EFRAG has clarified the flexibility that preparers have in preparing their statements. The Amendments describe the possibility of including an 'executive summary' at the beginning of the sustainability statement and have put greater emphasis on the use of appendices to separate more detailed information from key messages. The amendments have also clarified the concept of 'connected information, discouraging fragmentation and/or repetition of information (ESRS 1, Chapter 8). Question Do you agree that these proposed Amendments, when combined with the other changes in the Amended ESRS, provide an appropriate level of flexibility to support more relevant and concise reporting, as well as to promote better connectivity with corporate reporting as a whole?	☒ Yes ☐ Partially agree/Partially disagree ☐ No	We generally welcome the increased flexibility introduced through the proposed amendments to the ESRS Sustainability Statements. The possibility of including an executive summary and the emphasis on using appendices to separate detailed information from key messages can be helpful steps toward improving readability and structure. The option to include non-material information, if presented clearly, is a good step to maintain continuity for stakeholders. However, we understand these changes primarily as clarifications rather than substantial simplifications. From our perspective, they do not result in significant relief in terms of implementation effort or reporting complexity. We do not consider that the removal of data points can be considered deletions, as they were duplicated in the first place. Additionally, certain disclosure requirements continue to be embedded in application requirements, which could benefit from further reduction efforts. Please ensure that that application requirements don't consist of any disclosure requirements.
14	Explanation - Restructuring of the architecture and interaction between ESRS 2 and Topical Standards EFRAG has implemented the following changes, which aim to strike an appropriate balance between (a) prescriptiveness of the requirements and preparation	☐ Yes ☒ Partially agree/Partially disagree ☐ No	The restructuring of the architecture and the clarified interaction between ESRS 2 and the topical standards enhance the overall readability and usability of the standards.

effort and (b) the users' need for relevant, faithful and comparable information: 1. Minimum Disclosure Requirements in ESRS 2 (renamed "General Disclosure Requirements") have been simplified but retained as 'shall' disclose. 2. A drastic reduction of 'shall' datapoints PAT has been achieved, sometimes reformulating them as Application Requirements ('ARs') to support more consistent application. 3. Topical specifications to GOV, SBM and IRO (Appendix C of ESRS 2) have been deleted, with a few exceptions maintained as separate Disclosure Requirements in topical Standards (e.g. resilience in ESRS E1). 4. The requirement to disclose PAT for material IROs, if adopted, is maintained. But the requirement to disclose whether the undertaking plans to implement a PAT for material topics and timeline has been eliminated. The indication of which material topics are not covered by PAT is maintained. 5. The amendments have improved the connectivity between the disclosure of PAT and the description of IROs (now in ESRS IRO 2) to which they relate. They have also improved the ability to disclose information at a higher aggregation level than the material IROs, if this reflects the way IROs are managed. Question Do you agree that these proposed amendments strike an appropriate balance between (1) prescriptiveness of the requirements and preparation effort from the one hand, and (2) need for relevant and comparable information from the other?		The simplification of the GDR, the reduction of mandatory datapoints for policies, actions, and targets (PATs), and the removal of overlapping topical specifications contribute to a clearer and more accessible framework. The shift towards a more principles-based approach and the ability to report PATs at a higher aggregation level reflect a pragmatic and proportionate response to the challenges identified during the first-time application. This supports more effective and relevant sustainability reporting while maintaining the necessary level of comparability and transparency. However, we do not agree to maintain the requirement to disclose which topics are not covered by PAT. This would lead to 'empty' information, which contradicts the ESRS revision purpose. However, some changes introduce behavioral requirements. ESRS 1, Paragraph 84c requires adjusting the base year of the target following a major acquisition or disposal. This constitutes a behavioral requirement, contradicting Paragraph 5 stating that "the ESRS do not mandate behavior but set Disclosure Requirements[...]". Moreover, this is inconsistent with the possibility of investments or divestments being part of the business strategy to achieve the target. Regarding the presentation of metrics and monetary amounts, the requirement to adjust the base year and the comparative information provided following "major acquisition or disposals" is unclear and
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			potentially problematic. For example, there are no criteria for assessing what is a “major” acquisition or disposal, and the phrase “adjust the <i>base year</i>” is not clear in whether it is referring to adjusting the base year or the value associated with that base year in relation to presenting progress against targets. We recommend that “major” be revised to “material” and “adjust the base year” be clarified by including “value”.
15	Explanation - Improved understandability, clarity and accessibility of the Standards EFRAG has implemented the following changes: 1. “May disclose” datapoints have been all eliminated. 2. All the “shall disclose” datapoints are now in the main body of the standard (no more datapoints in AR) and mandatory application requirements are relocated below the DR to which they belong (and below each Chapter in ESRS 1), covering ‘how to disclose’ guidelines. 3. Language of the Standards has been improved for understandability, conciseness and consistency of ESRS. Question Do you agree that these proposed amendments achieve the desired level of clarity and accessibility?	☐ Yes ☒ Partially agree/Partially disagree ☐ No	We broadly agree that the proposed amendments will improve the clarity and accessibility of the ESRS. The removal of “may disclose” datapoints and the clearer separation between mandatory and non-mandatory content contribute to a more structured and comprehensible standard. However, we would recommend eliminating all the unclear terms like “shall consider” “may present”, “may implement”, “may include” and other ambiguous terms. These should be avoided and clarified in order not to create confusion and avoid misunderstandings with the auditors. The revised layout—particularly the relocation of mandatory Application Requirements, directly under the relevant Disclosure Requirements—makes the legal text easier to follow and reduces the need to navigate back and forth within the document.

			However, while the structure and readability have improved, the overall reporting requirements remain largely unchanged. As such, the simplification primarily supports better orientation within the standards rather than reducing the reporting burden itself. Moreover, we would like to flag that new mandatory disclosures have been added – clearly against the request of the EU commission and the aim of the revision to reduce reporting burden. Additional mandatory data points should be removed completely. The application requirements should not include any mandatory requirements. They should be seen as a guidance to follow while preparing the disclosures. Application requirements should not be included in the main body of the disclosure requirements Mandatory disclosure requirements should be part of the main body of the standard. Currently, the mandatory application requirements also consist of certain “may” or “shall consider” requirements. These should be omitted for the CSRD report without keeping an audit trail.
16	Explanation - Usefulness and status of “Non-Mandatory Illustrative Guidance” (NMIG) As a result of the simplification process, part of the mandatory content in the 2023 Delegated Act has been moved to “Non-Mandatory Illustrative Guidance”	Please select the NMIG you would like to comment on from the list below: • All • ENMIG - ESRS 1	We consider the introduction of Non-Mandatory Illustrative Guidance (NMIG) and its exclusion from the Delegated Act a useful addition to the ESRS framework. The separation of mandatory and non-mandatory content improves the structure and readability of the standards. NMIG can serve as an

	(‘NMIG’). NMIG does not address all the existing implementation questions on each standard. It simply gathers the content that: a) was in the Delegated Act b) is now deleted; and c) contributes to the overall datapoints reduction. It contains ‘how to report’ guidelines (methodology) and examples of possible items to cover when disclosing in accordance with a mandatory datapoint, mainly for narrative PAT disclosures. Its content should not be understood as a list of items of information requiring justification when not reported, consistent with the fact that the previous datapoints are deleted. The legal status of the NMIG will be considered by the European Commission (EC) in due course. However, EFRAG recommends that the EC not include this content in the Page 12 of 28 Delegated Act. On the one hand, NMIG contains helpful support material that may reduce the implementation questions. On the other hand, it could trigger additional efforts of analysis and/or have an ambiguous role as possible additional disclosure with entity-specific relevance if issued within the Delegated Act. Question You are invited to provide your comments on the purpose of NMIG, if any. You can access the NMIG at this link.	• NMIG - ESRS 2 • NMIG - ESRS E1 • NMIG - ESRS E2 • NMIG - ESRS E3 • NMIG - ESRS E4 • NMIG - ESRS E5 • NMIG - ESRS S1 • NMIG - ESRS S2 • NMIG - ESRS S3 • NMIG - ESRS S4 • NMIG - ESRS G1	orientation tool—especially for preparers in the early stages of implementation—by illustrating how disclosures might be structured or interpreted in practice. We recommend: • That the non-binding nature of NMIG remains clearly communicated and consistently understood by both preparers and auditors. • That there should be no implicit expectation that the examples provided must be followed or justified if not applied. • An explicit statement saying that the NMIG cannot be used for audit purposes and the separation of the NMIG from the legislative text would support this. • Avoiding guidance that references external standards, instead embedding directly into the standard setter’s guidance itself. • The guidance should be fully aligned with the standards themselves and subject to robust due process in its development, to ensure it does not have unintended consequences, further complicated principles-based standards, and/or add to reporting burden. Otherwise, the intended simplification effect could be undermined by new uncertainties or perceived pressure to align with the illustrative content. Nonetheless, we view the “Flowchart for determining disclosures under the ESRS” to be very useful when it was a part of ESRS 1. We suggest reinserting this.
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17	Explanation - Burden reliefs and other suggested clarifications EFRAG has implemented the following changes: 1. The relief “undue cost or effort” has been introduced, including for the calculation of metrics. 2. A relief for lack of data quality has been introduced for metrics (ESRS 1 Paragraph 91), allowing to report a partial scope and disclosing actions to improve the coverage in future periods. 3. The systematic preference for direct data as input to the calculation of value chain metrics has been removed and undertakings may use direct data or estimates depending on practicability and reliability (ESRS 1, Paragraph 91). 4. Undertakings may exclude from the calculation of metrics their activities that are not a significant driver of IROs (ESRS 1, Paragraph 90) and may exclude joint operations on which they do not have operational control when calculating environmental metrics other than climate (ESRS 1, paragraph 92). 5. Disclosure about resilience is now limited to risks only and limited to qualitative information only (ESRS 2, Paragraph 24 and ESRS E1, Paragraph 21). 6. When disclosing financial effects, the information on investments and plans is now limited to those that are already announced (ESRS 2, AR 16 Paragraph 23(b)). 7. A new relief for acquisitions (disposals) of subsidiaries has been introduced (ESRS 2, Paragraph 5(k)) allowing to include (exclude) the subsidiary starting from the subsequent (from the beginning of the) period.	☒ Yes ☐ Partially agree/ Partially disagree ☐ No	We strongly welcome the proposed burden reliefs as a meaningful step toward reducing the complexity and effort in ESRS reporting. 1. The “undue cost or effort” relief is particularly valuable, offering preparers a practical way to justify omissions or limitations when data collection would require disproportionate resources. However, it may increase the burden of proof if auditors challenge whether sufficient effort has been made to fulfill reporting requirements. 3. We appreciate the removal of the systematic preference for direct data in value chain metrics. Allowing estimates based on practicality and reliability better reflects the current state of data availability and maturity across the value chain, reducing effort in future reporting cycles. While these reliefs do not change the scope of reporting obligations, they provide greater flexibility in how requirements can be met and documented, supporting a more proportionate ESRS implementation. We invite greater clarity on when and how the relief applies to ensure that auditors do not request mandatory disclosure subject to relief. The relief should be useable for any metric, as value chain information often relies on estimations that lack reliability and consistency.

8. Several implementation issues identified in the EFRAG ESRS Q&A implementation platform from October 2024 to February 2025 (Chapter of Basis for Conclusions (BfC)) have been addressed, clarifying the corresponding provisions. Following the EC representatives' recommendation, EFRAG did not include additional relief for commercial sensitive information, pending the changes of level 1 regulation, where this issue is being considered. EFRAG considered how to improve consistency with other pieces of regulation. Considering what can be achieved in these Amendments (as opposed to what requires modification by the other regulation) EFRAG gave priority to the SFDR regulation. Please refer to question 28 if you intend to comment on this aspect. Other selected changes to enhance consistency are described in the Log of Amendments for each standard. Please note that some of the reliefs described above go beyond the ones in IFRS S1 and S2 described in question 21 below. As interoperability with IFRS S1 and S2 is specifically addressed in question 21 should be commented upon there. Please also refrain here from comments on the options proposed for quantitative financial effects, as question 17 is specifically dealing with them. Question Do you agree that these proposed Amendments provide sufficient relief and strike an acceptable balance between (a) responding to the stakeholders' demands for burden reliefs and (b) preserving the transparency		6. The amendments made to the anticipated financial effects do not solve the issue of data availability and reliability, as assumptions for this data point will vary so widely that any comparison between companies would be misleading. 7. Regarding the proposed relief for acquisitions, the one-year timeframe for integrating (or excluding) a subsidiary for sustainability reporting purposes is often insufficient and unrealistic. Greater flexibility should be offered to disclose metrics once the subsidiary is fully integrated. It should be clarified that reliefs do not contradict fair presentation, allowing companies to protect sensitive information without being pressured by auditors to report under this clause.
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	needed to achieve the objectives of the EU Green Deal, as well as interoperability with the ISSB's IFRS S1 and S2?		
18	Explanation - Relief for lack of data quality on metrics (ESRS 1 paragraph 89) Amended ESRS have introduced the 'undue cost or effort' relief for all the elements of the reporting, from the identification of material IROs to the calculation of metrics (paragraph 89 of ESRS 1), in line with IFRS S1 and S2, extending it to all metrics. In addition, paragraph 92 of ESRS 1 has introduced a provision applicable both to metrics in own operations and in upstream and downstream value chain. This allows an undertaking to report metrics with a partial scope of calculation, when there are no reliable direct or estimated data to be used in the calculation. This relief does not exempt an undertaking from providing a disclosure, but it allows to disclose a calculation that includes only a partial scope. When using this relief, the undertaking shall disclose actions undertaken to improve the coverage of its calculation in next periods. This transparency is expected to provide sufficient incentive to improve the data quality and achieve a more complete scope in the calculation of the metrics. Accordingly, no time limit is included for the use of the relief. On this point, some EFRAG SRB members, while supporting the relief, considered it essential to include a time limit. Question Do you agree that the proposed relief for lack of data quality on metrics strikes an acceptable balance	☒ Yes ☐ Partially agree/Partially disagree ☐ No	We consider the proposed relief to be a practical and necessary addition. It acknowledges the real-world limitations many preparers face, especially in complex areas such as value chain reporting. The relief ensures that data collected for reporting is robust and reliable. Forcing the collection of weak data undermines 1) high quality reporting, 2) comparability, 3) avoiding legal risks linked to the disclosure of unreliable metrics and 4) might lead to distorted or misleading representation of the information. The relief helps companies to tackle the current lack of methodologies for some indicators and bridges preparers until methodologies are available. A relevant issue is the reporting of SVHC and SHC substances. Due to the highly specific nature of European chemical legislation, reliable data collection is currently feasible primarily within Europe. The relief allows us to transparently report metrics based on a partial scope e.g., limited to European operations, while outlining actions to improve coverage over time. We support allowing companies to exclude joint operations they don't control from environmental metric calculations (E2-E5). However, we seek clarification on the definition of "joint operations."

	between providing the necessary flexibility for preparers and avoiding undue loss of information?		We also support extending this relief to E1, aligning with the flexibility to disclose only "reasonable and supportable information available without undue cost or effort." We support not imposing a time limit on this relief, allowing organizations to decide when to take action. In cases like chemical data collection, expanding scope may only be possible if non-European regulations align with EU standards, which is beyond a company's control and cannot be planned within a fixed timeframe.
19	Explanation – Relief for anticipated financial effects The Amended ESRS currently includes two possible options, which would apply to all topics, including climate (DR E1-11): a) Option 1 requires an undertaking to disclose both qualitative and quantitative information but allows omission of quantitative information under certain conditions. Option 1 is substantially aligned with the IFRS relief, despite the fact that it includes some differences compared to it: under Option 1, as in the IFRS relief, the undertaking need not provide quantitative information when it is not able to measure separately the financial effect of a specific topic (or IRO) or when the level of uncertainty is so high that the resulting information would not be useful. Differently from the IFRS relief, Option 1 specifies that the undertaking may use the relief when there is no reasonable and	☐ I agree with Option 1 ☐ I agree with Option 2 ☒ I disagree with both options	We strongly oppose both mandatory quantitative and qualitative disclosures of anticipated financial effects. The underlying data is often unclear, and the risks cannot be reliably isolated due to a lack of mature and established methodologies, making any form of disclosure - whether narrative or numeric - legally risky and prone to misinterpretation. Such information lacks comparability and does not offer decision-useful insights to report to users from our point of view. Moreover, IFRS already define when future risks must be reflected in financial reporting, e.g. through recognition and measurement criteria. Sustainability reporting should not override or extend these principles through financial disclosure requirements in the sustainability statement. We therefore recommend that this disclosure

	supportable information derived from its business plans to be used as input in the calculation of anticipated longterm financial effects. Different from the IFRS relief, the undertaking cannot omit quantitative information when it does not have the skills, capabilities or resources to provide that quantitative information, as this part of the relief was considered not compatible with the entities that are expected to be in scope of the Amended ESRS. b) Option 2 limits the requirement to qualitative information only, and leaves companies to choose to report quantitative information on a voluntary basis, without having to meet any conditions. This option is not aligned with the treatment in IFRS S1 and S2. Some of the EFRAG SRB members noted that Option 2 would result in undue loss of information important for investors and would fail to provide the correct incentive to build more mature methodologies and reporting practices. Other members, on the contrary, supported the inclusion of Option 2. Question If you intend to provide feedback also on Part 3 of this questionnaire, please note that by answering this question, you will not be allowed to include comments on paragraph 23 of ESRS 2 in Part 3 to avoid duplication of input. Your comments on that paragraph can only be provided here.		requirement be removed entirely or made explicitly optional. It should also be noted that even for a qualitative statement on anticipated financial effects a quantitative assessment needs to be done. Also, qualitative information is subject to a high level of uncertainty but there is less likelihood of unjust comparison. This begs the question of what use this information could have for any stakeholder, esp. capital market participants. EFRAG could allow for the voluntary disclosure of information on anticipated financial effects if undertakings want to provide information to external stakeholders.
20	Explanation - ESRS E1: Disclosures on Anticipated Financial Effects	☐ Yes ☐ Partially agree/Partially disagree	We strongly oppose both mandatory quantitative and qualitative disclosures of anticipated financial effects.

	The content of the disclosure requirements on anticipated financial effects (formerly E1-9 now E1-11) has been significantly reduced. Several datapoints are still included, which are considered necessary for investors and lenders to be able to assess the undertaking's exposure to transition and physical risk, including for lenders to be able to meet either supervisory expectations or sector specific disclosure requirements. This question focuses on paragraphs 40 (a) to (d), 41 (a) to (f) and 42 of ESRS E1 and aims at collecting feedback on the feasibility of the remaining datapoints. Question Do you agree that the amended paragraph 40, 41 and 42 of ESRS E1 strike an acceptable balance between (i) simplification and reporting effort and (ii) users' needs?	 No IF YOU REPLIED NO, SELECT THE PARAGRAPH ON WHICH YOU WANT TO EXPRESS AGREEMENT / DISAGREEMENT (ESRS E1 - 40. (a), (b), (c), (d), 41. (a), (b), (c), (d), (e), (f) 42.	From our perspective, there is currently no reliable method to link specific climate-related risks or opportunities to financial metrics like assets, liabilities, or revenue. The complexity and lack of integration between sustainability and financial systems make such quantification impractical. Without this linkage, even qualitative disclosures carry significant legal uncertainty and risk of misinterpretation. Comparability across organizations is also limited due to unclear guidance on the level of detail for such disclosures. Capital market participants typically rely on standardised models and data, which are not meaningfully enhanced by inconsistent, company-specific disclosures. The practical use of such granular data remains questionable and does not justify the significant effort required from companies. We therefore advocate for the removal of the mandatory reporting of anticipated financial effects. completely. EFRAG could allow for the voluntary disclosure of information on anticipated financial effects if undertakings want to provide information to external stakeholders. It is crucial not to require the disclosure “before considering adaptation/mitigation actions”, as this would not add value for readers and does not reflect how business strategy is defined. In fact, mitigation actions are often embedded within the strategy, structural in nature, and linked to multiple risks. Therefore, it would be overly complex and unreliable to conduct a hypothetical exercise calculating monetary amounts that are neither estimable nor dependable. For less technical readers, such assessments could be
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			misleading, especially since they are not accounted for in the financial statements. ESRS E1 - 40. (a)
			ESRS E1 - 40. (b) See comment no ESRS E1 - 40. (a)
			ESRS E1 - 40. (c) Disagree
			ESRS E1 - 40. (d) Disagree. Firstly, revenue generation is highly interconnected and rarely attributable solely to individual assets or specific physical risks. Companies operate with complex supply chains, diverse customer bases, and integrated operations. Disaggregating total revenue to quantify the portion “at material physical risk” before adaptation is extremely challenging, if not practically impossible, given current data and attribution capabilities. Existing financial systems are not designed to track revenue at such granular, risk-specific levels. Secondly, estimating revenue “before considering climate adaptation actions” requires a hypothetical

			calculation, introducing significant subjectivity and uncertainty. This figure cannot be readily extracted from current financial reporting or modelled accurately, making it inherently unreliable. Finally, the complexity and speculative nature of this calculation create major auditability challenges. Producing figures that are both robust and verifiable would be extremely difficult, likely resulting in inconsistent reporting and reduced credibility of disclosures.
			ESRS E1 - 41. (a) See comment no ESRS E1 - 40. (a)
			ESRS E1 - 41. (b) Disagree, see comment no ESRS E1 - 40. (a)
			ESRS E1 - 41. (c) There is no clear use case for this metric. Also, please note, that while within Europe there are standardized energy efficiency categories for real estate, outside Europe this is not the case. Also, within Europe while the categories are standardized, the thresholds are different depending on the country.

			ESRS E1 - 41. (d) This point would create a lot of confusion to readers to disclose potential liabilities, not already recognised in the financial statements.
			ESRS E1 - 41. (e) This requires extensive quantification, is highly subjective and may not always result in useful information.
			ESRS E1 - 41. (f) This requires extensive quantification, is highly subjective and may not always result in useful information.
			ESRS E1 – 42
21	Explanation - Enhanced interoperability with the ISSB's Standards IFRS S1 and S2 EFRAG implemented the following changes, which aim to achieve a higher level of interoperability while being compatible with the objectives of the Amendments. 1. In line with IFRS S1, emphasis has been put on ESRS being a fair presentation framework; materiality of information is now as general filter for the reported information. 2. To remove one of the main interoperability differences, the ESRS E1 GHG emission boundary has been replaced by the financial consolidation approach (ESRS E1 AR 19),	☐ Yes ☒ Partially agree/Partially disagree ☐ No	1. Fair presentation in the ISSB standard applies only to financial materiality; extending it further could create problems (see Q.25). Guidance is unclear on prioritising user needs when conflicts arise between financial and non-financial users. Excessive disaggregation, for example, increases reporting burden while reducing usefulness. ESRS should prioritise primary users (e.g. investors). 2. IFRS permits any GHG boundary, while ESRS mandates financial control, diverging from the GHG Protocol. To ensure alignment, companies should be allowed flexibility to

	aligned with the financial control approach in the GHG Protocol, while a separate disclosure based on operational control is now required (and aligned with the corresponding disclosure in the GHG protocol) only for entities with more complex ownership structures (ESRS E1, AR 20). 3. The IFRS reliefs (undue cost or effort, disclosure of ranges for quantitative financial effects) have been implemented, with the exception of the one on omitting commercially sensitive information about opportunities (pending the outcome of Level 1 discussions), the one allowing to omit Scope 3 GHG emissions when impracticable and the one allowing to omit quantitative financial effects when the undertaking does not have the necessary skills (please note that the relief on anticipated financial effects is treated in question 20). 4. The implementation of reliefs that go beyond the ones in IFRS S1 and S2 results in new interoperability differences (see question 16). 5. Language for requirements that are common to ESRS and IFRS S1 and S2 has been aligned whenever possible with the one in IFRS S1 and S2, in ESRS 1, 2 and E1. 6. The reference to IFRS industry-based guidance and SASB Standards as a source of possible (“may consider”) disclosure when reporting entity-specific sector information is now a permanent feature (before it was temporary, i.e. until the issuance of ESRS sector standards). 7. The datapoint reduction resulted in the elimination of 7 “shall” datapoints described in Basis for Conclusions (BfC) (Chapter 4, Lever 6).		choose boundaries consistent with the Protocol. 3. Relief clauses in the simplified standard are welcome, but the revision timeline for Level 1 remains unclear. 4. Maintaining these reliefs is vital, as ESRS go beyond climate, where methodologies are less advanced and flexibility is essential. 5. Agree. 6. We support referencing SASB Standards and IFRS Industry-based Guidance as sources of disclosure to enhance transparency and interoperability with ISSB. 7. Agree. 8. Agree. 9. To further improve interoperability with IFRS, EFRAG should add reliefs on (1) commercially sensitive information and (2) proportionality to skills, capabilities and resources available. 10. Additional improvements: 11. Ensure all climate-related financial disclosure elements in IFRS S2 (e.g. financed emissions, carbon credits, resilience analysis) are cross-referenced in ESRS E1 or explicitly scoped out to avoid gaps. 12. Provide an interoperability mapping showing, datapoint by datapoint, how ESRS requirements correspond to IFRS S1/S2. 13. Where ESRS includes EU-specific concepts (e.g. double materiality), clarify how these complement rather than contradict ISSB.
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	8. Several changes have been introduced to further advance interoperability in ESRS E1 (Basis for Conclusions (BfC), Chapter 4, Lever 6). Question Do you agree that these proposed Amendments achieve an appropriate balance between increasing interoperability and meeting the simplification objectives?		
22	Explanation - Reduction in the number of mandatory and voluntary datapoints The Amendments have realised a substantial reduction in the number of mandatory (-57%) and voluntary (-100%) datapoints, described in the Basis for Conclusions (BfC), Appendix 3. The Explanatory Memorandum (page 6) specified that “the revision of the Delegated Act will substantially reduce the number of mandatory ESRS datapoints by (i) removing those deemed least important for general purpose sustainability reporting, (ii) prioritising quantitative datapoints over narrative text and (iii) further distinguishing between mandatory and voluntary datapoints, without undermining interoperability with global Amended ESRS Exposure Drafts – July 2025 Public Consultation Survey Page 17 of 28 reporting standards and without prejudice to the materiality assessment of each undertaking.” To achieve this objective, EFRAG undertook a systematic review of the datapoints, to eliminate the least relevant, i.e. those that are not strictly necessary to meet the disclosure objectives. Most of the deleted datapoints stem from the narrative PAT disclosures, where a less prescriptive and more	☐ Yes ☐ Partially agree/Partially disagree ☒ No ☐ I believe some of the deleted content should be maintained (use ‘comment’ column to specify the relevant paragraphs in the ESRS)	We acknowledge and welcome the improved structuring and consolidation of the ESRS requirements. The clearer separation and grouping of datapoints, especially the removal of voluntary datapoints and the streamlining of narrative PAT disclosures, enhances the usability of the standards. However, we would like to emphasise that the reduction in the number of datapoints does not necessarily translate into a proportional reduction in the substantive reporting scope or effort. In our view, the overall scope and complexity of the disclosures remain largely unchanged. The deletion of datapoints primarily affects how requirements are presented, not what is required. This means that preparers will still need to collect and disclose a substantial amount of data, and the core reporting obligations are largely preserved. The deletion of duplicated datapoints does not represent a reduction in effort. Based on the Exposure Draft, we do not expect a significantly reduced reporting volume under the

	principles-based approach has been implemented. Therefore, most of the deletions refer to narrative datapoints. In the context of such a systematic review, merging two distinct datapoints was not considered as a reduction. Question Do you agree that the proposed reduction in “shall disclose” datapoints (under materiality) strike an acceptable balance between burden reduction and preserving the information that is necessary to fulfil the objectives of the EU Green Deal?		amended ESRS. Instead, the changes may help reduce effort in data collection, documentation, and coordination with auditors. For example, the introduced options for burden reliefs may simplify internal discussions and reduce the need to justify the omission of non-material items. It is important that this distinction is clearly communicated: while the number of datapoints has decreased, the underlying disclosure obligations remain intact. This will help manage expectations and avoid misinterpretations regarding the actual simplification impact of the amendments. Moreover, we do have strong concerns regarding the new mandatory disclosure requirements that have been introduced and would request deleting them all to fulfill the purpose of the revision of the ESRS.
23	Explanation - Six datapoints exceptionally moved from “may” to “shall” In accordance with the simplification mandate received, EFRAG has adopted a general rule of not increasing the reporting obligations. Accordingly, “may disclose” datapoints have not been transformed into mandatory ones (subject to materiality). In the context of the comprehensive revision of some of the DRs, to provide for more focused and relevant information, 6 datapoints have been moved from “may” to “shall” subject to materiality. These exceptions are in the opinion of EFRAG justified. It is important to note that they do not add new obligations, as they refer to an already existing	☐ Yes ☐ Partially agree/ Partially disagree ☒ No	We strongly disagree with the introduction of new mandatory datapoints that have not been proven necessary. Adding untested requirements at this critical stage poses a significant liability to the strength, coherence, and successful implementation of the CSRD. It contradicts the simplification mandate and risks undermining reliable sustainability reporting. We do not agree with the decision to make "Nature of incidents" and "Number of incidents" within ESRS G1 paragraph 14 (confirmed incidents of corruption and bribery) mandatory.

	disclosure objective, but they make explicit a separate element of required information. In consideration of their very low number when compared to the overall datapoint reduction, they are not considered to jeopardise the achieved substantial simplification. On the contrary, their change of status improves the clarity of the reporting requirements. The question refers only to - ESRS E3 Water - Own operations total withdrawal (Amended ESRS E3 paragraph 28 (c)) - ESRS E3 Water – Own operations total discharges (Amended ESRS E3 paragraph 17) - ESRS E4 Biodiversity and ecosystems- Disclosure of transition plan for biodiversity and ecosystems - ESRS G1 Business conduct– Training of procurement team (Amended ESRS G1 paragraph 10 (c)) - ESRS G1 Business conduct confirmed incidents (Amended ESRS G1 paragraph 14) (1) Nature of incidents (2) Number of incidents Question Do you agree that these exceptions to the general rule are appropriate and justified?		Firstly, making additional quantitative datapoints mandatory will increase burdens. Quantitative data collection requires IT development or manual reporting, which are costly and time consuming. Secondly, the "may" provision for such sensitive data points allowed for necessary discretion. The specific context of each incident, might not be adequately conveyed by a simple numerical count or a brief description. The focus should be on the effectiveness of management systems in preventing and addressing corruption, not a potentially reductive tally of past failings. G1 Training datapoint will add complexity as companies evaluate the risk exposure of functions individually and then derive training needs from that. In cross-functional training settings it is close to impossible to derive that information. This data point should not be made mandatory. For G1 paragraph 14, it's unclear how materiality should be assessed—by monetary value or other criteria? What incidents need reporting (e.g., court decisions)? This datapoint should also be deleted.
24	Explanation - Four new mandatory datapoints (exception) In accordance with the simplification mandate received, EFRAG has adopted a general rule of not increasing the reporting obligations. Accordingly, “may disclose” datapoints have not been transformed into mandatory	☐ Yes ☐ Partially agree/Partially disagree ☒ No	We strongly disagree with introducing new mandatory datapoints that have not been comprehensively tested by “Wave 1” companies. Adding untested requirements at this stage threatens the strength, coherence, and successful implementation of the CSRD.

	ones (subject to materiality). In the context of the comprehensive revision of some of the DRs, to provide for more focused and relevant information, 6 datapoints have been moved from “may” to “shall” subject to materiality. These exceptions are in the opinion of EFRAG justified. It is important to note that they do not add new obligations, as they refer to an already existing disclosure objective, but they make explicit a separate element of required information. In consideration of their very low number when compared to the overall datapoint reduction, they are not considered to jeopardise the achieved substantial simplification. On the contrary, their change of status improves the clarity of the reporting requirements. The question refers only to - ESRS 2 General disclosures – BP 1 the undertaking shall state that the general requirements of ESRS 1 have been applied for the preparation of its sustainability statement - E2-4 Secondary microplastics resulting from the breakdown of larger plastic items or being unintentionally produced through the life cycle of the product. Clarification of former ESRS E2 paragraphs 28(b) and AR 20 leading to new added DP. - E5-4 Percentage of total weight that are critical and strategic raw material Added draft ESRS E5 paragraph 15(c). - E5-5 Percentage and/or total weight for which the final destination is unknown. Added in draft ESRS E5 paragraph 18(e).		We particularly object to ESRS E2-4, which is unworkable, unmeasurable, and unauditable: 1. Beyond company control – secondary microplastics occur post-consumer (UV radiation, abrasion, degradation), outside company influence. 2. Impossible data collection – no methodologies exist to reliably estimate how many products enter the environment or the volume of secondary plastic releases. 3. Auditability concerns – without standardised methods, reported figures would be speculative and unverifiable, undermining audit credibility. Furthermore, new concepts intended as reliefs—such as “fair representation,” “Gross vs Net,” or amending base years after acquisitions—risk adding complexity and burden without addressing these datapoints. Other new requirements that should be eliminated include: • ESRS E5-4 para. 15(e): % of sustainably sourced materials by weight. • ESRS E1-2 para. 19: introduction of “spatial resolution.” • ESRS E1-3 para. 21(c): ability to adapt strategy and business model to climate change over time. • ESRS E1-5 para. 24(c): stricter provisions on financial resources for climate actions. • ESRS E1 AR 26: new disaggregation for CO2 emissions.
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	Question: Do you agree that these exceptions to the general rule are appropriate and justified?		• ESRS G1-2 para. 10(c): extension of training to “business conduct” beyond corruption and bribery.
25	Explanation – Emphasis on ESRS being a “fair presentation” reporting framework The Amendments clarify that ESRS is a fair presentation reporting framework, as it is for IFRS S1 and S2, with the expectation that this will support a more effective functioning of the materiality filter and reduce the check list mentality associated to the adoption of a compliance approach. Adopting fair presentation is expected to support a reduction in the unnecessary reported information and of the documentation needed to show that omitted datapoints are not material. The majority of the EFRAG SRB members consider that ESRS was already conceived as a fair presentation framework and interpret the CSRD as requiring it. A minority of the EFRAG SRB members think that the CSRD does not require fair presentation. They think that adopting fair presentation is not a simplification, due to the difficulty of exercising judgement of what is needed to fulfil the requirement, in particular for impact materiality where there are less established reporting practices. They think that the Amendments may result in increased legal risks and audit costs. Question: Do you agree that explicitly requiring to adopt fair presentation in preparing ESRS sustainability statements will support a more effective functioning of the materiality filter, therefore enabling more relevant	☐ Yes ☒ Partially agree/Partially disagree ☐ No	We welcome the explicit inclusion of the fair presentation principle in the ESRS, as it reinforces the goal of supporting relevant, decision-useful reporting rather than checklist compliance. It should be read alongside ESRS 1 Par. 21a to ensure only material information is reported. Both fair presentation and materiality assessment should focus on the usefulness of information for intended users. By emphasising fair presentation, the ESRS encourages preparers to exercise judgment, prioritising disclosures that enhance transparency and accountability. This reduces unnecessary reporting, especially when omitting non-material datapoints. However, challenges remain. The concept requires a precise definition to avoid subjectivity and minimise audit burden. Without clear guidance, it risks undermining the DMA’s rigour. Past experience with similar notions (e.g. <i>représentation fidèle</i> in audit standards) shows auditors may use vague terms to challenge sound DMA conclusions, creating subjective disputes on materiality. Clear guidance on how companies can demonstrate “fair presentation” to auditors would be valuable. Ambiguity could also pressure companies to disclose voluntary datapoints (“may disclose”), which auditors may then treat as mandatory for fair presentation—contradicting materiality-based reporting.

	reporting and reducing the risk of excessive reported information?		Finally, fair presentation may increase Board accountability for the Sustainability Statement, requiring assurance not only of compliance but also of whether information is “fair” to all stakeholders. While established in financial reporting, its boundaries in sustainability remain unclear, creating a grey area that could lead to litigation if stakeholders dispute adequacy.
26	Explanation - Exception for Financial Institutions' Absolute Climate Reduction Targets One of the implementation challenges noted by financial institutions relates to the requirement in ESRS E1 paragraph 26(a). This requires, when the undertaking has adopted GHG emissions intensity targets in conjunction with AR12 (“when only setting intensity targets”), to disclose also the associated absolute values” (refer also to Basis for Conclusions (BfC) Chapter 8). EFRAG SRB and SR TEG discussed whether an exception would be needed for insurance, banking and asset management sectors, but they decided that it would be appropriate to receive specific feedback before concluding. Those that support the exception argue that this information is not useful. They think that while for fossil fuel sectors gradual de-commissioning is foreseen, emphasising the role of absolute targets for lenders and investors in all sectors would provide the wrong incentive, as high-emission sectors are those in need of transition financing. They also consider that estimating the absolute targets would require multiple assumptions (such as about the composition of the portfolios, the production capacity, the market shares and the level of	☐ I agree that financial institutions should be exempted from disclosing climate absolute GHG emission values targets when they have only set intensity targets. ☒ I disagree that financial institutions should be exempted from disclosing climate absolute GHG emission values targets when they have only set intensity targets	We acknowledge the challenges faced by financial institutions in setting absolute climate reduction targets. Much of the GHG accounting for FIs is spend-based, meaning increased financing can lead to higher reported absolute emissions, creating both a disincentive and a practical hurdle for target-setting. Nevertheless, absolute emission targets are essential for meeting global climate agreements. Relying only on intensity targets can obscure overall emissions increases as business expands. Financial institutions play a key role in driving absolute reductions in the real economy. As such, rather than viewing this as an exception, the focus should be on developing more robust and refined methodologies for FIs to measure and report absolute financed emissions, ensuring meaningful disclosures that align with global decarbonization goals.

	emission intensity), making results unreliable and thus not leading to meaningful disclosures. Those who oppose this exception note that complex estimates are common to all sectors. They also note also that both the information types of intensity and absolute targets are needed for a proper understanding of the undertaking's progress on climate and banks are no exception in this case. Intensity targets, while capturing efficiency, may mask rising emission levels. Absolute targets capture the total impact but fail to take into account the effect of business growth. They finally note that an exception only for financial institutions would result in an unlevel playing position for the other sectors.		
27	Explanation - ESRs S1: New Threshold for Reporting Metrics Disaggregated at Country Level Amended ESRs S1 changes the threshold for the requirement to disaggregate the metrics for Characteristics of the undertaking's employees, collective bargaining coverage and social dialogue in the European Economic Area (S1-5 and S1-7 of Amended ESRs S1). Refer also to Basis for Conclusions (BfC) Chapter 8). Instead of being defined based on at least 50 employees by head count representing at least 10% of the total number of employees, the requirement is now to disaggregate the metrics for the top 10 largest countries by employee headcount, to the extent that there are more than 50 employees in those countries. A minority of EFRAG SRB members noted that this change could trigger, in some cases, an increase in the number of countries to report on for these two disclosures, and	☐ Yes ☐ Partially agree/Partially disagree ☒ No	Some of our members disagree with the assertion that the change to the threshold for country-by-country disclosure in ESRs S1-5 and S1-7 will result in a limited burden due to the easy accessibility of information. While the intent to gather more granular data is understandable, this change will, in many cases, significantly increase both the reporting requirements and, crucially, the audit scope. Additionally, this extra level of detail may not always be relevant. The current disclosure let emerge the most strategic countries in terms of business or production which may differ from those with the highest headcount. Shifting from a "50 employees and 10% of total headcount" threshold to reporting for the "top 10 largest countries by employee headcount (if >50

	so an increased burden to prepare the information. The majority of EFRAG SRB members supported the change because the current requirement has led to limited information available by country. In addition, the information is usually easily accessible, so the burden to prepare the information per the new requirement is estimated to be limited. Question: Do you agree with the change to the threshold for country-by-country disclosure for the DRs ESRS S1-5 and ESRS S1-7?		employees)" will expand the number of countries for which many multinational companies must disaggregate data. Each additional country introduces distinct challenges in data collection. More importantly, this expanded reporting directly increases the audit scope. Sustainability reporting, especially social data like employee characteristics and collective bargaining, requires thorough verification. Gathering and validating this data across multiple jurisdictions, each with its own labor laws, data systems, and cultural differences, is far from "easily accessible." It involves understanding local HR systems, ensuring data consistency, and verifying compliance with country-specific regulations—an intricate process requiring significant auditor resources and time. Thus, the claim of limited burden is misleading. This change will add to the complexities and costs of both preparing and auditing sustainability statements, potentially slowing the assurance process and placing a substantial new burden on companies and auditors. We strongly suggest the inclusion of an additional option to avoid additional increases, to only mandate disclosure until the first of either threshold is hit. So, either 10% or the top 10 – whichever causes least burden.
28	Explanation – ESRS S1: Calculation approach to adequate wages outside the European Union (EU)	☐ Yes	We recognise the importance of ensuring adequate wages globally but have serious concerns with the

	The Amended ESRS S1 reflects an amended methodology for the calculation of non-EU adequate wages set out in the Application Requirements (ESRS S1 AR 22). This change draws on language from different parts of the agreement on the issue of wage policies, including living wages, adopted by the ILO Governing Body in 2024, after the ESRS Delegated Act was adopted. A minority of EFRAG SRB members flagged three interrelated concerns: (1) the reference to wage-setting principles risks disclosures of minimum wages that fall well-below an adequate wage standard, (2) the hierarchy requires companies to only assess relevant living wage data sets as a last resort, and (3) the DR/AR does not require companies to disclose which prong of the methodology is used, which leads to lack of comparability. In consideration of the complexity of this issue, EFRAG is running a targeted field test and is interested in involving a diversified sample of companies. This entails participating in dedicated working sessions with EFRAG Secretariat where the company is expected to present how the revised methodology is feasible and relevant in practice (refer to the non-EU hierarchy described in ESRS S1 paragraph AR 22 b) i) to iii) to ensure transparency and comparability on this issue. Question: Do you agree with the proposed change to the methodology for the calculation of non-EU adequate wages in ESRS S1?	☐ Partially agree/Partially disagree ☒ No	proposed benchmark hierarchy for non-EU wages in ESRS S1 AR 22. Placing living wage datasets as a “last resort” undermines comparability. It allows companies to report against statutory minimum wages, which may be insufficient, producing inconsistent and non-comparable data and limiting stakeholders’ ability to assess social impact. We propose revised wording for AR 22, para. 32: for reporting outside the EEA, the first step should require an “adequate minimum wage” rather than a “statutory minimum wage,” aligned with Directive (EU) 2022/2041. Without this, comparability will be lost as some companies report on “minimum” and others on “adequate” wages. A single authoritative reference is essential. Allowing companies to select different providers risks inconsistent disclosures. A common database of adequate wages across jurisdictions would ensure comparability and reduce company burden in determining adequacy. We also caution that the requirement for wages to be “periodically reviewed/adjusted every two years and take into account ILO principles” could create excessive workload. As the indicator covers the entire workforce, assessments would be required in all countries of operation. For firms active across multiple sectors, numerous collective agreements would also need review, potentially resulting in hundreds of checks.
29	Explanation – SFDR and other EU datapoints in Appendix B of Amended ESRS 2	☒ Yes	

	The Omnibus proposals have not changed the general objective of supporting the creation of the data infrastructure necessary for implementing the Sustainable Finance Disclosure Regulation (SFDR). Input from investors confirms the need to implement the correct flow of information from their investee. However, evidence also suggests some of the Principal Adverse Indicators (PAI) are not considered relevant in practice. As part of the systematic review of the datapoints for their reduction, EFRAG has assessed the relevance of the SFDR PAIs, as well as the level of coverage of them resulting from the general datapoint reduction. Appendix 4 in the Basis for Conclusions (BfC) illustrates how the EU datapoints in Appendix B of ESRS 2 (now 1 The key changes for Social Standards (ESRS S1-S4) are: a) this was a consolidation exercise. Firstly, for the policies related to human rights and for the alignment with UNGP and OECD MNE Guidelines (two SFDR PAI number 9 Table #3 and Indicator number 11 Table #1 of Annex 1), eight datapoints from the four Social Standards have been merged into a “human rights policy” in ESRS 2 GDPR-P, for the four affected stakeholder groups. Secondly, the indicator in relation to severe human rights cases (SFDR PAI number 14 of Table #3 and number 10 of Table #1 of Annex 1) have been merged into one and it is maintained across the four Social Standards. b) a small number of amendments on the scope has taken place for SFDR PAI Indicator 3 of Table #3 in relation to days lost. Fatalities (ESRS S1-13) has been deleted from its scope. The scope of revised human rights incidents datapoint (ESRS S1-16, S2-3, S3-3, S4-3) is now clarified. There were no changes in the ESRS G1. In conclusion,	☐ Partially agree/Partially disagree ☐ No	Yes, we should always consider the importance of feasibility and coherence in reporting according to different legislations. As such, removing some of the SFDR datapoints is clearly appropriate, the ESRS simplification will need to better co-ordinate with the required three yearly review of the SFDR.
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	despite the general significant reduction in DPs, the coverage of SFDR PAI has been only marginally reduced and thanks to a limited number of amendments, the relevance of the corresponding information is increased. Question: Do you agree with the way the SFDR PAI have been incorporated in the Amended ESRS?		
30	Explanation - ESRS E4 DR E4-4 ESRS E4: Application requirement to guide undertakings in setting biodiversity- and ecosystems-related targets As part of the simplification process, E4-4 (targets) disclosure specifications and application requirements have been mostly removed. In this context, methodological guidance for companies to what biodiversity and ecosystems-related targets can cover would be helpful. ESRS Set 1, E4 AR 26) outlines aspects that targets can address, including in relation to the size of areas protected or restored, the recreation of natural surfaces or the number of company sites whose ecological integrity has been approved. While this AR could be kept in the revised ESRS E4, some stakeholders highlighted that it could be further reviewed to better reflect latest trends in the evolving methodological landscape related to biodiversity and a stronger alignment with relevant content from science-based frameworks such as SBTN. Question: Do you agree that EFRAG should review AR 26 in Amended ESRS E4? Please provide suggested wording.	☒ Yes ☐ Partially agree/Partially disagree ☒ ☐ No	. AR 26 should be reviewed to provide more practical and effective guidance. The current text does not sufficiently acknowledge the difficulty of setting standalone biodiversity targets or the interconnected nature of environmental issues. The revised guidance should explicitly allow companies to use cross-referencing, in order to explain how their existing or new targets under other the other topical environmental standards also address the drivers of biodiversity loss. This clarification is vital for two reasons: 1. Integrated management: Biodiversity loss is not an isolated issue. It is driven by factors like climate change, water use, and pollution. Allowing this cross-referencing enables companies to report on their environmental strategy in a holistic and integrated way, reflecting how these issues are managed internally. 2. Reporting efficiency: It avoids the need for companies to create separate, and potentially less

			meaningful, biodiversity-specific targets when their existing environmental objectives already contribute significantly to mitigating biodiversity impacts. This makes reporting more efficient and focused on substantive actions rather than a check-the-box exercise. This approach would make the guidance more pragmatic, reduce reporting burdens, and allow companies to provide a clearer narrative on their most significant contributions to protecting nature. Some member would not deem it appropriate to reinsert the AR 26, considering that the methodologies for defining biodiversity targets are not yet well defined and are often site-specific. Furthermore, in the absence of a mandatory biodiversity standard, we do not see the opportunity to refer to specific frameworks (which are still voluntary). The risk would be that each company could adapt these standards to its own needs by making reporting incomparable
31	Explanation - ESRS S1 DR15: Gender pay gap Some of the feedback obtained during the public outreach on the Remuneration metrics (ESRS S1-15), which are derived from the SFDR PAI, was to revisit the gender pay gap ratios and consider replacing it by the adjusted gender pay by employee category or, in some cases, by country. The gender pay gap metric in set 1 is aligned with the Pay Transparency Directive, (EU) 2023/970, where the unadjusted ratio is required as a	☐ Yes ☐ Partially agree/Partially disagree ☒ No	No, we do not agree with deleting the voluntary datapoint. Instead, the adjusted gender pay gap should be mandatory, while the unadjusted gap should be voluntary or removed. From 2027, the EU Pay Transparency Directive (2023/970) will require use of the adjusted pay gap. ESRS must align with EU law to ensure clarity and consistent datasets for stakeholders.

	global percentage and the adjusted gender pay gap by employee category is a voluntary (“may”) datapoint. The voluntary datapoint on adjusted gender pay gap by employee ratio has not been included in Amended ESRS S1, following careful analysis and consideration of the EFRAG SRB where the pros and cons of changing the basis for gender pay gap were weighted. The conclusion reached was to maintain the global unadjusted pay gap and delete the adjusted gender pay gap by employee ratio that is a voluntary datapoint in ESRS Set 1. The deletion of the voluntary datapoint aligns with the general approach in the revised architecture. Question: Do you agree with the deletion of the voluntary datapoint on adjusted gender pay gap?		2. The adjusted pay gap is the only metric that reflects the principle of “equal pay for equal work or work of equal value.” By accounting for factors such as role, seniority, location, and performance, it offers a precise, actionable measure of pay equity, enabling identification and correction of real disparities. The unadjusted gap, by contrast, conflates pay equity with gender representation, reflecting structural imbalances rather than discriminatory pay practices. Making it the sole mandatory metric risks misinforming stakeholders and unfairly penalising companies based on sector or workforce structure rather than actual pay policies. It should remain voluntary, as a complementary disclosure on representation. Finally, we regret the missed opportunity to improve clarity on what types of remuneration should be included in the calculation. Companies currently apply divergent definitions, resulting in non-comparable disclosures.
32	Explanation - ESRS G1 DR G1-2 and G1-6: Payment practices The revision of ESRS G1 have led - amongst others - to the deletion of former paragraphs 14 and 33(a), addressing "payment practices" (within the context of management of relationship with suppliers). These datapoints have been replaced by the PAT provisions and an additional specification for SMEs in paragraph 33(b).	☐ Yes ☒ Partially agree/Partially disagree ☐ No	We support the removal of the datapoint on “average time to pay an invoice,” as it offered limited insights and was difficult to interpret usefully. A focus on PATs better aligns with fair presentation. The previous approach, framing SMEs as risky suppliers, added unnecessary barriers by introducing size-based vetting. However, we also question the relevance and practicality of the remaining datapoint on percentage of payments aligned with standard terms (former

	However, this deletion may still reduce visibility on how undertakings engage with and support SMEs. Question: Is the current replacement/formulation sufficient to meet the objectives of the CSRD in respect to the protection of SMEs?		ESRS G1-6 §33b). This metric is difficult to consolidate, particularly in international contexts with no legal standard, and provides little meaningful insight into supplier relationships. The percentage of payments under “standard terms” is hard to interpret and yields no useful conclusions on supplier impacts. Categorisation of suppliers, such as SMEs, remains problematic. Financial systems rarely track supplier size, and implementation would require disproportionate effort. Similarly, reporting the number of legal proceedings due to late payments (former ESRS G1-6 §33c) is not decision-useful without qualitative context (e.g. reasons for delays or thresholds of materiality). For significant cases, this is already covered in legal risk reporting and need not be duplicated in sustainability reports. Finally, while qualitative information on payment practices can demonstrate SME protection, the calculation of G1-6 metrics is overly complex for international groups with diverse payment standards. Overall, deletion of the datapoint appears the most viable option.
33	ESRS 1 Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?	☐ Yes ☐ Partially agree/Partially disagree ☒ No	The cross-cutting standard ESRS 1 remains critical, particularly regarding fair presentation, materiality, and provisions on gross versus net reporting. However, several concerns remain: • Aggregation/disaggregation: The disclosure requirement is highly subjective, risking interpretative challenges and disagreements with auditors. • Reporting boundaries: Scope of consolidation remains unclear.

			• Deleted sub-sub-topics: Attaching them in brackets after sub-topics increases reporting burden, as companies must still consider them in the DMA, making materiality harder to apply. • AR24: Could require DMAs at subsidiary level. We recommend deleting AR24 or clarifying that IROs need only be assessed at group level, unless subsidiaries have significantly different business models. • Positive impacts: The restriction to “impacts that derive from business activities, products and services” could prevent reporting of positive workforce impacts. • Para. 45(b): The requirement to use “reasonable and supportable evidence” to estimate severity/likelihood of impacts and financial effects will likely increase documentation burdens per IRO. • Paras. 51/52 and AR22/23: Could be interpreted as requiring materiality assessments deeper than site level. • Value chain assessments: Upstream/downstream materiality remains subjective and unclear. • Referencing existing reports: We recommend allowing references to legally mandated documents (e.g. Corporate Governance or Remuneration Reports) even with different assurance levels, reducing redundancy and avoiding inconsistencies.
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	ESRS 2 Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?	☐ Yes ☐ Partially agree/Partially disagree ☒ No	Regarding ESRS 2, we recommend eliminating the disclosure on anticipated financial effects. Preparers are not equipped to provide reliable forward-looking financial data, and such disclosures may involve commercially sensitive information. The current approach risks overburdening companies and producing low-quality data. Additional concerns that increase reporting burden include: • Site IRO matching (AR 22): Will significantly increase workload, lengthen reports, and reduce readability. • Datapoint on sustainability goals for product/service groups (40a)i): Adds complexity without clarity. • Banned products datapoint: Definition remains unclear and should be deleted. • AR24: Although it allows IROs to be linked with policies/actions in topic-specific chapters, it still mandates duplicative descriptions in ESRS 2, offering no real relief. • Anticipated resources for actions: Disclosures on economic resources distort relevance, add detail, and misrepresent sustainability priorities; this requirement should be eliminated. • Targets: The expectation for both measurable and qualitative targets is contradictory; further guidance is needed. • DR 41(b): Requires disclosure of environmental conditions and characteristics of the area where impacts occur. This risks excessively granular reporting and is
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			inapplicable to climate change (E1), since emissions are transboundary. The terms “environmental conditions” and “characteristics of the area” lack clarity and should be reconsidered. Overall, these provisions increase complexity without improving decision-useful reporting.
	ESRS E1 Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?	☐ Yes ☐ Partially agree/Partially disagree ☒ No	The current ESRS draft presents several issues that will create high in some cases even additional burden to preparers. The disclosures on anticipated effects should be changed (see question 20) and there is high uncertainty around the disclosures on the transition plan. There should be no new added disclosure requirements or datapoints.
	ESRS E2 Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?	☐ Yes ☐ Partially agree/Partially disagree ☒ No	Several issues should be highlighted: • Pollutant thresholds: Now less clear than before. • Local permits: Expanding disclosures to include local-level environmental permits broadens scope excessively and prevents standardisation. • Water treatment plants: Counting transfers to these facilities as pollution is illogical, since they are service providers for cleaning water. • Secondary microplastics: The new datapoint risks unreliable, inconsistent data and places a disproportionate burden on companies. • Primary microplastics: No clear alignment between REACH-SPM and ESRS methodologies, risking confusion.

			• Role differentiation: The draft introduces different obligations for manufacturers/importers and users. Many companies under REACH hold multiple roles for specific substances, but do not report the same flow twice. ESRS wording could force duplicate reporting, adding complexity and contradicting the legislator’s intention to relieve non-chemical companies—while increasing burdens for chemical companies. • SVHC/SoC disclosures: Introduced without harmonised thresholds. While SVHC has a 0.1% limit in articles, no uniform rule exists for mixtures or SoC. Outside the EU, such data are not consistently available. Collecting and harmonising would require major effort. We recommend deleting this datapoint and relying on ECHA data for EU activities. • Impurities: It is unclear whether SVHC/SoC present only as impurities must be disclosed. Since impurities are not intentionally manufactured, such reporting may lack stakeholder value.
	ESRS E3 Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?	☐ Yes ☒ Partially agree/Partially disagree ☐ No	Reporting at site level will significantly increase the reporting burden for many companies.

ESRS E4 Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?	☐ Yes ☐ Partially agree/Partially disagree ☒ No	ESRS E4 raises significant concerns due to the level of detail required and the potential for excessive disaggregation. We do not agree with the approach for reporting at the site level for biodiversity. These requirements risk imposing disproportionate reporting efforts, especially in the case of biodiversity, where it remains unclear how to prioritize which sites to disclose. In particular, the newly introduced Application Requirement AR 8 in ESRS E4 would effectively require companies to conduct ad hoc analyses for hundreds of sites—specifically those not overlapping with biodiversity-sensitive areas—in order to identify a science-based buffer zone tailored to the ecological specificities of each site. Such a requirement represents an operational and documentation burden that is entirely disproportionate to the stated goal of simplification.
ESRS E5 Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?	☐ Yes ☐ Partially agree/Partially disagree ☒ No	The draft introduces several issues that create additional challenges for companies: • New metrics (e.g. amended waste requirements) impose additional reporting burdens and are not aligned with other EU legislation (EU Waste Framework Directive). • The introduction of new terms such as "strategic" and "key" adds significant uncertainty due to their lack of clarity. • There is an increased burden in disclosing information related to radioactive waste.

			- Glossary terms are often defined in a circular manner. For example, the circular material use rate is described as the ratio of circular use of materials to overall material use, yet the key definition of what qualifies as "circular" is omitted. - Waste definitions and categories based on European standards are expected to be applied globally, which is unrealistic and not useful in a broader context. - There is inconsistency between EU Directive 2008/98/EC and the ESRS regarding whether energy recovery (thermal incineration) should be classified as recovery or not.
	ESRS S1 Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?	☐ Yes ☒ Partially agree/Partially disagree ☐ No	For social standards the removal of the term "severe" from the disclosure requirements for human rights incidents across all social standards is particularly concerning. Without a clear limitation to the most serious cases, companies may be required to report even minor or less relevant incidents. This broad scope risks undermining the materiality of disclosures and contradicts the objective of simplification. Maintaining a focus on severe human rights incidents is essential to ensure that reporting remains meaningful, proportionate, and aligned with the principles of relevance and efficiency. Additionally, the inclusion of contractors in own workforce increases the reporting burden. We think

			that non-employee related disclosures should be eliminated or made voluntary. Additionally, health and safety related metrics and definitions in the glossary should be reviewed as there are still terms which are not clearly defined and/or consistently used on this topic.
ESRS S2	Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?	☐ Yes ☒ Partially agree/Partially disagree ☐ No	See comment in ESRS S1. Moreover, there is no explanation of legitimate representative and credible proxies.
ESRS S3	Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?	☐ Yes ☒ Partially agree/Partially disagree ☐ No	See comment in ESRS S1
ESRS S4	Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?	☐ Yes ☒ Partially agree/Partially disagree ☐ No	See comment in ESRS S1 The reduction of duplicated ESRS 2 disclosure requirements has led to the standard being more readable and comprehensible.
ESRS G1	Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant	☐ Yes ☒ Partially agree/Partially disagree	

	simplification and meeting the core objectives of the European Green Deal?	☐ No	
34	Any other comments on the 12 EDs or on the Glossary		The glossary still requires significant review to incorporate new terms. It is critical for both preparers and auditors, yet contains errors (e.g., "materiality consists of financial materiality and materiality" in double materiality). Specific comments include: • ESRS 1, para. 11: The requirement for sector comparability is challenging due to business model variations. This may create issues for auditors. We suggest removing this or changing it to 'may' with NMIG as a minimum. • ESRS 1, para. 84(c): We disagree with this provision which mandates organizational change. Adjusting baseline years should be determined by company policies, not mandated. For example, many companies achieve target progress by reshaping portfolios. Para. 72's relief, requiring inclusion in the "subsequent" period, is impractical. • ESRS 1, para. 84(c) wording: This specific language is not found in IFRS S2, although it originates from the GHG Protocol. • ESRS 1, para. 70: We disagree with the revised lease treatment in ESRS 1, as it creates challenges in data collection and traceability. We recommend basing reporting on operational control, not legal ownership, to better reflect impact management and reduce reporting burdens. Further clarification on leased assets in paragraph 70 is needed.

			• We also want to flag references to the 1.5°C target in the E1 transition plan provisions, particularly the long-term temperature goals of the Paris Agreement. While this is a Level 1 issue, we believe it warrants further review. • Value Chain: Assessing value chain impacts and data collection beyond Tier 1 remains difficult. Quantitative evaluation is often complex and insignificant, so reporting material facts when known is more practical than detailed assessments.
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