

ESRS reference	Issue/challenge	Proposed solution	Explanation
<p><b>ESRS 1 Chapter 3.1.1. Information Materiality &amp;</b> para. 4 (definition of a user) and definition of “stakeholder” in glossary</p>	<p>The revised ESRS still refer to “primary user” and the broad group of “other users”. The standards emphasise that fair presentation is meant to allow them to make an “informed assessment” rather than limiting it to decision-making. The consequence is an information materiality concept that remains too broad to be applied effectively. The addressees -stakeholders/users - are not required to e.g., contribute to the undertaking, meaning anyone can be a stakeholder, including employees, investors, suppliers, customers, NGOs, the government, or even the public. Relevant groups can change (e.g., after an incident) and their information needs and access to information may vary (internal vs. external stakeholder groups). This makes it difficult for companies to narrow down information needs. The term “informed assessment” broadens the scope of materiality rather than limiting it. It is a vague terminology that can be subject to individual interpretations, making the concept of materiality meaningless. For example, some stakeholders may simply follow</p>	<p>Change ESRS 1.3: The objective of the sustainability statement, taken as whole, is to present fairly (see Chapter 2) all the undertaking’s sustainability-related material impacts, risks and opportunities and how the undertaking manages them. The reported information <i>should be determined with appropriate consideration of its decision-usefulness for users.</i></p> <p>ESRS 1. Para 4 should be changed to: Users of general-purpose sustainability statements are <b>exclusively those who provide a contribution to or are directly impacted by the undertaking:</b></p> <ul style="list-style-type: none"> <li><b>(a) primary users [investors, provider of financial capital];</b></li> <li><b>(b) other users [employees, customers, suppliers]; and</b></li> <li><b>(c) directly affected local communities.</b></li> </ul>	<p>Consequence: any type of contribution (voluntary or involuntary) is a requirement to become a stakeholder/user to be considered in reporting. Therefore, people with a general interest in the company would not be considered a stakeholder. Also, the public might be narrowed down to people living next to sites of the undertaking. This would allow to replace the term “informed assessment” with “to decide”. The decision-usefulness concept is important for companies to be able to narrow down and define the information that are material for the (different) users. This would align it with financial reporting approach (investment decision of investors). The purpose of sustainability reporting is not</p>

	<p>the company and or read negative news without intending to make a decision. In contrast, financial reporting materiality focuses on investors and their investment decisions, where material information is defined as that which, if omitted, misstated or obscured, could reasonably influence decisions made based on financial statements.</p>	<p>Change ESRS 1. Para 16 should be changed to: <b>"Fair presentation... is intended to provide information sufficient for users to decide on their continued or future contribution to the undertaking. Information not tied to a specific decision is not material."</b></p> <p>ESRS 1 Para 23 should be changed to: <b>"Information is material only if it is decision-useful for users to inform their specific decisions regarding their direct relationship with the undertaking"</b></p>	<p>to provide simply information to the public just for an informed assessment like rating agencies or media does – the purpose of annual reporting should be strictly limited to decision usefulness (investing in the company, being employed by the company, buying products of the company, selling products to the company, living close to a plant/location of the company).</p>
<p><b>ESRS 1</b></p>	<p><b>Approach for IRO evaluation is complicated and not practical:</b></p> <ul style="list-style-type: none"> <li>- For (actual and potential) impacts: Mitigation measures (if significant actions are necessary to contain the impact) of the current year cannot be considered for evaluation. This is not consistent with financial reporting (e.g. provision measurement at year end closing)</li> <li>- Impacts that are highly decision-useful for users require an</li> </ul>	<p>Extend the time period for mitigation measures to be accounted for to current reporting period. This requires removing the last sentence from ESRS 1 Par. 44a):</p> <p>“a) the severity of actual negative impacts – those that manifest during the reporting year - shall be assessed as they actually manifested during the reporting year. Actual impacts include those that have originated in the previous reporting periods and continue to exist in the current</p>	<p>Align sustainability and financial reporting. Delete contradicting requirements undermining the value of the DMA. Minimizing discretion regarding the evaluation of impacts.</p>

	<p>additional evaluation under the DMA even if they are not material.</p>	<p>reporting period. Their severity is assessed based on the current reporting period, i.e. taking into account how they were mitigated in the previous periods. <b>Remediation of impacts realised during the reporting period shall not be considered;</b></p> <p>Delete the additional evaluation of impacts that are highly decision-useful for users (ESRS 1 Par. 44c):</p> <p><b><del>“c) the information about impacts and how the undertaking manages them through policies and actions may be decision-useful to users, irrespective of how effectively the undertaking manages them or irrespective of how effectively the corresponding topics are regulated. In these cases, the materiality assessment needs to take this into account.”</del></b></p>	
<p><b>ESRS 1</b></p>	<p><b>Level of aggregation and disaggregation of information:</b> The EFRAG revised technical advice is not clear—both for materiality and for the topical standards—how data are expected to be disaggregated. Indeed,</p>	<p><b>Preferred solution:</b> Align the wording of the mentioned paragraphs on aggregation/disaggregation of information to ISSB Standards.</p>	<p>The disaggregation of information will depend on company’s decision and not on the pressures from the audit companies.</p>

	<p>new ESRS pose a lot of emphasis on the concept of “geographies” (ESRS 1 para 33, 53, AR10, AR31). Moreover, the new ESRS place considerable focus on requiring site-level disclosures (e.g. ESRS E2 para. 8, ESRS E3 para. 7, ESRS E4 para. 7).</p>	<p><b>Alternative solution:</b>  Disaggregation should be balanced with the quantity of information to report and therefore site-specific information should be reported only if extremely relevant for stakeholders.</p> <p>ESRS 1:  <del>33. For geographies identified under paragraph 32(b), the undertaking shall consider the specific context to assess the materiality of impacts, risks, or opportunities.</del></p> <p>53. The undertaking shall aggregate or disaggregate the information in a way that reflects the level at which significant variations of material impacts, risks or opportunities arise; <del>such as by topic, sector, subsidiary, geography, asset.</del></p> <p>In ESRS E2:  8. Context-specific considerations are particularly important in relation to pollution. If material impacts, risks or opportunities are related to specific geographies, it is important to consider appropriate aggregation or disaggregation of the reported information; <del>eg by site, area with</del></p>	
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		<b>or another level</b> in accordance with ESRS 1 General Requirements, Chapter 3.3.2 Level of Aggregation, Disaggregation.	
<b>ESRS 1 para. 73 &amp; 74 &amp; E1-8</b>	<p>The newly introduced paragraphs 73 and 74 of ESRS 1 5.3 (in combination with the AR under E1-8) are unclear and risk being subject to interpretation by auditors. It is unclear how the identification of Impacts / Risks / Opportunities (IROs) arising from assets that are held by the undertaking's long-term employee benefit schemes relate to the definition of the reporting boundary for GHG emission reporting (i.e. Scope 3 emissions).</p> <p>The paragraphs suggest that a company always needs to account for benefit schemes such as pension funds as Scope 3 emissions - no matter whether they are significant or not. However, the GHG Protocol does not specifically require accounting for emissions from e.g. pension funds (depending on materiality). For GHG emission reporting, pension fund assets can also be already covered in Scope 1 and 2 e.g. when the assets are leased buildings. Including them in Scope 3 reporting based on the requirement in 73 and E1-8 could lead to</p>	<p>Remove ESRS 1 paragraphs 73 and 74.</p> <p>Adjust ESRS E1 AR 19 for para. 29.</p> <p>“Chapter 5 of ESRS 1 General Requirements defines the reporting boundary to be applied. The starting point of that boundary corresponds to financial control as per the GHG Protocol Corporate Accounting and Reporting Standard (2004). In addition, the undertaking applies the provisions in paragraphs 72 (leased assets), <b>73 (benefit schemes)</b> and AR 35 for paragraph 62 (joint operations) of ESRS 1 General Requirements.”</p> <p>Adjust AR 20 for paras. 28 and 29 (a)</p> <p>(a) (AR 39(a) amended) consider the GHG Protocol Corporate Accounting and Reporting Standard (2004). The undertaking may also consider Commission Recommendation</p>	Reduction of complexity by aligning with GHG Protocol accounting standard and increase in comparability with companies outside of the EU.

	<p>double reporting. Additionally, it is not further defined what is included in “benefit schemes”.</p> <p>With the new paragraphs (also in ESRS E1-8), the ESRS effectively overrides the GHG Protocol’s established accounting approach. Since most companies base their GHG inventories on the GHG Protocol, they will now need to review—and potentially adjust—their reporting practices. Rather than simplifying requirements, the new paragraphs introduce additional complexity and increase the effort involved.</p>	<p>(EU) 2021/22795 or EN ISO 14064-1:2018. <b>In all cases, the requirements of ESRS take precedence over the above-mentioned GHG accounting standards (e.g. regarding reporting boundaries)."</b></p>	
<b>ESRS 1</b>	Concept or guidance for mapping IROs/sub-topics to disclosure requirements still missing.	Provide concept/guidance for mapping IROs/ST to disclosure requirements in the delegated act.	Improve clarity and comparability of disclosures. Reduce coordination effort with auditors.
<b>ESRS 1</b>	Sub-sub-topic (SST) integration into sub-topic level not clear thereby jeopardizing the simplification.	Explanation in ESRS 1 Appendix A on how to deal with SST for preparers who evaluate double materiality at the SST level, not the ST level. It should be clarified that preparers do not need to provide disclosures on other SST when only one single SST in parentheses is material.	Lack of clarification might lead to massive overreporting if the auditors require the preparers to disclose on each SST in parentheses (even if only one SST is material based on the DMA).
<b>ESRS 1 para. 125 (b) &amp; (c), ESRS 2 &amp; ESRS E1, DR E1-11</b>	Mandatory disclosure of quantitative and qualitative information on anticipated financial effects.	<b>Preferred solution:</b>  Remove all mandatory obligations to disclose quantitative information for	Improve reliability and credibility of information, reduce risk of misinterpretation by

	<ul style="list-style-type: none"> <li>- No accepted and generally used method to calculate anticipated financial effects of sustainability risks and opportunities. Methodologies for forward-looking financial effects are very challenging, especially given the required mid-term and long-term ESG reporting horizons. Time horizons for some sustainability risks (climate) fall outside the long-range planning of the company. This makes the disclosures highly subjective, therefore not comparable, and complex because they go beyond established financial planning periods.</li> <li>- There is also no legislation or requirement mandating disclosure of monetary quantification for expected risks or opportunities regarding financial reporting.</li> <li>- Some material risks and opportunities cannot be quantified, for example reputational risks.</li> <li>- Mid-term and long-term financial effects of risks are usually</li> </ul>	<p>anticipated financial effects from the standards, i.e., delete all relevant DRs and ARs from ESRS 2 and DR E1-11.</p> <p><b>Alternative solution:</b></p> <p>While keeping all reliefs without any conditionality - including those on climate-related disclosures -, introduce additional phase-ins for AFE with no sunset clause until more robust methodologies are available. In addition, align climate-related disclosure requirements with those of the ISSB, eliminating all the current specific disclosure requirements presented in E1 for climate (e.g., E1-11, paragraphs 40 and 41) and making sure there is a better ability for undertakings to aggregate/disaggregate information, following the ISSB logic. To achieve this, para. 125 of ESRS 1 shall be amended as follows:</p> <ul style="list-style-type: none"> <li>- Remove reference to <del>“wave one”</del> undertakings as follows: “125. ‘Wave-one’ Undertakings may omit in their sustainability statement:...”</li> </ul>	<p>stakeholders. Create reporting stability and predictability for companies.</p>
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	<p>mitigated (completely or at least to some extent) by measures decided and implemented by the preparer during a later point in time and not necessarily during the reporting year. It would provide a misleading impression if only financial risks are reported but mitigation measures are not taken into account.</p> <ul style="list-style-type: none"> <li>- This approach poses a risk of exposing sensitive information, as it relies on business plans used to calculate short, medium and long-term impacts: these plans are inherently confidential, competitive and sensitive.</li> </ul> <p>The newly introduced transitional provisions for wave 1 companies are not in line with the phase-ins that have been defined as part of the Quick Fix Delegated Act adopted by the European Commission in July 2025. The exception of ESRS E1-11 paragraph 38(a)(b) and 39 (a)(b) would even imply an earlier quantitative reporting of the datapoints than was defined by the initial ESRS (Delegated Regulation (EU) 2023/2772). Introducing a new timeline for</p>	<ul style="list-style-type: none"> <li>- Delete the following reference <b>“with the exception of ESRS E1- 11 para. 38 (a) (b) and 39 (a) (b)”</b> from letter b), as there is no such exception in the current phase-ins (ESRS 1, appendix C).</li> <li>- Rephrase letter c) as follows: <b>“(c) quantitative information about anticipated financial effects, required in paragraph 27 of ESRS 2 General Disclosures and in ESRS E1-11, for their financial years prior to financial year 2030, with the exception of ESRS E1-11 paragraph 38 (a)(b) and 39 (a)(b) until a widely accepted common methodology for developing such disclosures is available;”</b></li> </ul>	
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	<p>mandatory disclosures creates legal and planning uncertainty for companies. An earlier reporting of quantitative datapoints also goes against the simplification objective of the European Commission.</p>		
<p><b>ESRS 2 para. 25</b></p>	<p><b>Current Financial Effects:</b></p> <p>In general, users of external disclosure are interested in understanding how materialized risks &amp; opportunities have resulted in a net impact on financial statements during the reporting period. However, such an interest should be valid for all material risks and opportunities and not just the sub-set of ESG-related risk &amp; opportunities. Therefore, we strongly oppose such asymmetric and incomplete disclosure.</p> <p><b>Further inconsistencies:</b></p> <ul style="list-style-type: none"> <li>• An additional disclosure requirement to be reported is significant CapEx/OpEx allocated to an action in order to manage a specific risk or opportunity (ESRS 2, paragraph 46).</li> <li>• (a) It is unclear whether disclosure on current financial effects is before or</li> </ul>	<p>Eliminate disclosure requirement for current financial effect of ESG-related risks &amp; opportunities. In case of relevance, a disclosure for current financial effects of all material risks &amp; opportunities of a company might become part of financial/risk reporting.</p> <p>(“Minimum alternative”: Rephrasing of paragraph 25 in order to require a disclosure only in case of “significant current financial effects”)</p>	<p>Improve reliability and credibility of information, reduce risk of misinterpretation by stakeholders and market volatility.</p>

	<p>after such actions (double-counting vs. practicability).  (b) CapEx/OpEx related to actions have to be “significant”, whereas there is no “significant” stated for current financial effects (i.e., inconsistent).</p> <p>Based on ESRS 2 AR19 the linkage between financial effect and significant CapEx/OpEx may be considered, but it remains unclear what kind of disclosure is exactly expected.</p>		
<p><b>ESRS 2 Para. 38,  ESRS 2 GDR-M,  ESRS E1 AR 21,  ESRS E4-16, ESRS  E5-15</b></p>	<p><b>Missing or unclear definitions for key metrics &amp; terms:</b></p> <ul style="list-style-type: none"> <li>- Severity criteria (scale, scope, irremediable character) are unclear (ESRS 1 AR7).</li> <li>- Definition of CapEx/OpEx for significant investments: no definition is provided, leading to inconsistent reporting</li> <li>- GDR-M (metrics): terms such as “environmental conditions/characteristics” are undefined.</li> <li>- Lack of clarity on whether biogenic emissions must be split by scope (ESRS E1 AR 21).</li> <li>- No definitions for biodiversity offsets and unclear wording on financing effects (ESRS E4-16).</li> </ul>	<p>Add or clarify definitions in the ESRS and provide for non-binding illustrative examples on what is intended without expanding scope.</p>	<p>Supports consistency.  Reduces reporting uncertainty and audit risk.</p>

	<ul style="list-style-type: none"> <li>- Definitions unclear for “key materials” &amp; “secondary resources” is unclear. The denominator rules are inconsistent. The recycled/reused scope is ambiguous (ESRS E5-15).</li> </ul>		
<b>ESRS E1</b>	<p><b>Absolute targets for CO2 emissions</b> do not take into account economic growth or market failure (de-industrialization).</p> <p>If one company loses market share, others may be unable to absorb demand due to rigid CO<sub>2</sub> caps. This leads to artificial stagnation, despite unchanged emissions at market level.</p> <p>Requiring absolute values alongside intensity targets forces companies to disclose internal volume plans (e.g. production growth or reduction). This amounts to indirect disclosure of sensitive business strategy, undermining competitive confidentiality and market fairness</p>	<p><b>Change from absolute targets only to option for companies to disclose absolute targets OR intensity/relative targets.</b> This would safeguard competitiveness and enable economic growth (ESRS E1 Par.23a):</p> <p>“a) absolute <b>or relative</b> GHG emission reduction targets for scope 1, 2 and 3, either separately or combined and, where relevant, in intensity value. The undertaking shall specify, in case of combined GHG emission reduction targets, which GHG emission scopes (1, 2 and/or 3) are covered by the target and the share related to each respective GHG emission scope;”</p>	Minimize negative effects on competitiveness of EU preparers.
<b>ESRS E1, E5</b>	Additional datapoints and disclosure requirements increase the burden for preparers instead of simplifying the ESRS requirements:	We firmly oppose these changes because they exceed the Commission's mandate to EFRAG for simplification and contradict the objective of reducing administrative burdens for companies.	Simplification of the ESRS Set 1.

	<ul style="list-style-type: none"> <li>- <b>ESRS E1 AR25 (Reporting on CO2 emissions):</b> New disaggregation by country, operating segment, economic activity, subsidiary will increase reporting burden &amp; implementation costs massively.</li> <li>- ESRS E1-1 Para. 11c &amp; AR 33 (Disclosure of information about key assumptions used and dependencies on which the transition plan for climate change mitigation relies)</li> <li>- ESRS E2-4 Para. 15b &amp; AR 44 (Disclosure of secondary microplastics)</li> <li>- <b>ESRS E5.4 Para.13a (Resource Inflows):</b> Complete restructuring of the datapoint and introduction of new concepts (critical and strategic raw material). New critical (sensitive) information required which leads to even more complexity and required effort. Disclosing sensitive information should be avoided for competitive reasons and geopolitical supply issues.</li> <li>- <b>ESRS E5.4 Para.13c (Resource Inflows):</b> Breakdown of key</li> </ul>	<p>In our view, the benefits to users of these data points are very limited while the reporting burden on companies increased, and some of the new data points (e.g., ESRS 2, E2-4, and E5-4) raise serious concerns because these metrics refer to concepts that are either unavailable, not clearly defined, or subject to continued evolution. This creates uncertainty and low-quality data.</p> <p><b>All new data points and disclosures should be deleted to avoid additional burden on preparers.</b></p>	
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	<p>materials leads to more additional effort. Additional sub KPIs need to be reported. <b>ESRS E5.5 Para. 15c (Resource Outflows):</b> New KPI “designed rate of recyclability“ leads to additional coordination &amp; implementation efforts.</p> <ul style="list-style-type: none"> <li>- ESRS E5 Para. 16e Disclosure of the proportion of waste for which the final destination is unknown, expressed as a percentage of total waste generated.</li> </ul> <p>Additionally, three data points have been made mandatory that were previously voluntary (i.e., ESRS E3 Para. 15c (Disclosure of total water withdrawal), ESRS E3 Para. 15d (Disclosure of total water discharge), and ESRS E4 Para.10 (Disclosure of the biodiversity and ecosystems transition plan, if the issuer has made it public via another publication).</p>		
<p><b>ESRS E2-4 Para. 15, AR 1 for para 14</b></p>	<p><b>The definition of microplastics should be clarified</b> as no harmonised definition exists at EU or global level for either primary or secondary microplastics.</p>	<p><b>Preferred solution:</b> Delete disclosures on secondary microplastics.</p> <p><b>Alternative solution:</b></p>	<p>No mandatory disclosure should be expected when no methodology or definition is available.</p>

	<p><b>Mandatory disclosure of quantities of primary &amp; secondary microplastics manufactured</b>, used or released is premature.</p>	<p>Non Mandatory Implementation Guidelines (NMIG) should include “On microplastics, the undertaking <i>may</i> disclose:  (a) the amounts of primary microplastics manufactured or used in its <b>products</b>, and separately, those directly released into the environment; and  (b) information on secondary microplastics”.</p> <p><b>AR 1 for paras. 14 and 15 (Pollution of air, water and soil)</b> The <i>pollutants</i> and primary <i>microplastics</i> shall be presented in relevant mass units, e.g. tonnes or kilogrammes.</p>	<p>Annex II should therefore reference standardised and unambiguous definitions. In particular, the classification of certain particles, such as tire road wear particles, remains unclear. Annex II should also be revised as it incorrectly assumes that all primary microplastics are directly released into the environment during product use or end-of-life, whereas some are permanently incorporated into solid matrices.</p> <p>Similar reporting obligations are only now being introduced under REACH, with first declarations due in 2026, and already represent a significant burden for European companies. Given the limited maturity and experience in reporting, disclosure on primary microplastics should remain voluntary (para 15). A 12-</p>
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			month interval should be included between the execution of a new EU law and the potential publication in ESRS.
<b>ESRS E2-4, AR 3 for para 14</b>	The quantification of the volume of pollutants and water sent to external treatment plants requires extended efforts for industrial companies with multiple sites. Isolating water discharges sent to treatment plants is a significant effort. The separate publication of the part transferred to external treatment plants should be voluntary (AR3) and added to the Non-Mandatory Implementation Guidelines (NMIG).	<b>NMIG should include</b> “Transfers of water pollutants to external treatment plants <b>may</b> qualify as pollution within the undertaking’s downstream value chain. The undertaking <b>may report them separately</b> , as entity-specific disclosures (see ESRS 1 General Requirements, paragraphs 11 and 12).”	
<b>ESRS E2-4, para 29</b>	Para 29. The request to publish the amounts of pollutants, only when their amount was above the threshold defined by Annex II of Regulation (EC) No 166/2006 was appropriate allowing to focus only on sites potentially at risk but has been removed from the ESRS version of December 2025.	<b>Para 29 should be reintroduced.</b> 29. The amounts referred in paragraph 28 shall be consolidated amounts including the emissions from those facilities over which the undertaking has financial control and those over which it has operational control. The consolidation shall include only the emissions from facilities for <b>which the applicable threshold value specified in Annex II of Regulation (EC) No 166/2006 is exceeded.</b>	Removing this limitation <b>may lead to disproportionate request for information not meaningful to the topic.</b>

<p><b>ESRS E2-5 paras 16 &amp; 17, AR 5-8</b></p>	<p>Measuring the quantity of SOCs, SVHCs and their trends over time remains highly complex to consolidate for manufacturers, especially for SOCs as they are not clearly identified and there is a significant risk of double counting with the SVHCs.</p>	<p>Delete the disclosure requirements on SOC for manufacturers in line with what is required for users.</p> <p>To achieve this, ESRS E2-5 should be amended as follows:</p> <p>Para 16: “(33 amended) The objective of this DR is to enable users to understand the undertaking’s material impacts, risks and opportunities linked to the manufacturing, trading or use of <del>SoC</del> and SVHC, including risks arising from changes in regulations.”</p> <p>Para 17: “(34 and 35 amended) <i>Manufacturers of substances, formulators of substances or importers of substances, whether on their own or in mixtures, shall disclose <b>the total weight of SoCs, and separately,</b> the total weight of SVHC that are: (a) procured as substances on their own or in mixtures; (b) manufactured as substances on their own or in mixtures; (c) placed on the market as substances on their own or in mixtures; and (d) directly released into the environment (air, water, and</i></p>	<p>More flexibility in the reporting, leading to more proportionate preparers’ efforts and enhanced decision-useful information for users.</p>
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<b>ESRS E2-5 para.19</b>	<p>We appreciate the scope limitation of substance reporting so that users of articles only need to report on SVHC as per candidate list of REACH - this is a simplification. However, while it is generally possible to disclose the names of the substances that are present in a concentration above 0.1% weight by weight, this might lead to a list of up to 500 substances in the sustainability statement which unnecessarily increases the report length and raises the question on how useful this information is for external stakeholders.</p>	<p>Proposed change: “19. (35 amended) Manufacturers of articles, importers of articles or users of articles that contain SVHC shall <b>disclose the total weight of SVHC</b> that are present in:</p> <ul style="list-style-type: none"> <li>(a) procured components or articles; and</li> <li>(b) components or articles placed on the market.”</li> </ul>	<p>Better support decision-useful reporting and meaningful comparison across organizations.</p>
<b>ESRS E2-5 AR6 for paras 17 &amp; 18</b>	<p>The request to publish SVHC quantities in tonnes or kilograms by hazard class, while avoiding double counting, is not appropriate, as most SVHCs are present in multiple hazard classes under the CLP regulation.</p>	<p>AR 6 should be removed completely.</p>	<p>To prevent double counting, disclosures are only based on a single hazard class, which may lead to underestimating SVHC quantities in specific categories and <u>provide inaccurate information</u>. To address this concern, we recommend disclosing only</p>

			overall quantities of SVHC, in tonnes or kilograms, procured, manufactured, sold, or released as outlined by AR 7.
<b>ESRS E3-4</b>	<p><b>Increased complexity of Water metrics.</b> The removal of “freshwater” metrics has made the standard less relevant as freshwater availability is the key factor from an environmental perspective. In addition, referring to “water” in general greatly undermines comparability, as each company could adopt its own interpretation. Moreover, the requirements on water withdrawals and water discharges are now mandatory (previously they were indicated as “may”).</p>	<p>Go back to one of the first proposed revisions of the standards by EFRAG, following the consultation, in which all the water metrics were referring to “Freshwater”.</p> <p>Accordingly, E3-4 para. 15 should be changed as follows:</p> <p><i>“The undertaking shall disclose the following water metrics for its own operations:</i></p> <p><i>(a) total <b>freshwater</b> consumption;</i></p> <p><i>(b) total <b>freshwater</b> consumption in areas with water stress;</i></p> <p><i>(c) total <b>freshwater</b> withdrawal;</i></p> <p><i>(d) total <b>freshwater</b> discharge;</i></p> <p><i>(e) total <b>freshwater</b> recycled and reused; and</i></p> <p><i>(f) total <b>freshwater</b> stored.”</i></p>	Restore clarity and relevance to water-related disclosures. Improve comparability and consistency across reported information.
<b>ESRS S1-6</b>	The use of a reasonable number of non-employee workers is part of the way most of the industries manages flexibility on industrial sites.	Proposal for S1-6: The undertaking shall disclose the number of non-employees in the undertaking’s own workforce when the % of non-employee is considered significantly	We then recommend focusing only on disclosing information on non-employees for sites where non-employees activity is

	The nature of non-employee work (especially temporary worker due to rotation, multiple contracts) made the consolidation of data at global level challenging. The cost of producing the information will be disproportionate.	high (example > 30% of own workforce), or when self-contractor is the main source of own workforce.	material and removing the obligation of disclosing the total number of non-employees.
<b>ESRS S1 DRs S1-5 &amp; S1-7</b>	<p>New “Top 10 Countries” concept, which requires companies to report for the up to ten countries with the largest number of employees.</p> <ul style="list-style-type: none"> <li>- This rule-based approach reduces flexibility and forces a disaggregation that may not be decision-useful (e.g., forced reporting in some areas while ignoring true hotspots).</li> <li>- It may also increase the reporting burden for multinational companies, as many would need to report on more countries than before. Each additional country brings its own data collection challenges, due to differences in local data infrastructure and IT systems</li> </ul>	<p>Provide a more principle-based, materiality-focused approach, which gives companies flexibility to highlight countries where social risks are significant or where the company’s actions have the greatest impact. To achieve this, the approach presented in the current standards (Delegated Act) should be reintroduced in all relevant S1- S4 paragraphs and ARs: <b>“countries in which the undertaking has 50 or more employees representing at least 10% of its total number of employees.”</b></p>	<p>Make social reporting more meaningful. Focus reporting on providing decision useful information. Support strategic and targeted action, linking disclosure to actual corporate sustainability performance and impact.</p>
<b>ESRS S1-9</b>	<p>On adequate wage, non-EU countries lack harmonized benchmarks. Companies operating in multiple countries face particular challenges in applying this metric consistently across diverse roles and wage standards. Companies rely on third-party sources like Fair Wage Network or Wage</p>	<p>Develop, as soon as possible, a free reference/database to ease the burden on companies, allowing them to calculate the metric more easily, and limit this metric to the most relevant countries. Until such a database is available, <b>the metric should be put under a phase-in.</b> It</p>	<p>Make the metric easier to calculate and verify by auditors. Ensure disclosures are decision-useful and comparable, without overwhelming companies with excessive data collection.</p>

	Indicator, but these vary significantly in methodology and outcomes, creating inconsistencies in global wage policies.	should be aligned also with the ILO principles on estimating a living wage.	
<b>Annex II</b>	<p>The definitions of recordable work-related accidents and recordable work-related ill-health still introduce ambiguity through four critical flaws:</p> <p>(1) Loss of consciousness as a standalone criterion: the current framework treats all loss of consciousness incidents as recordable, regardless of causation, leading to overreporting through conflating occupational and non-occupational factors;</p> <p>(2) undefined “significant injury or ill-health”: the lack of objective parameters would result in subjective and inconsistent interpretations across medical professionals and jurisdictions undermining comparability of disclosure;</p> <p>(3) overlaps between work-related accidents and work-related ill health create ambiguity that can lead to inconsistent classification, misreporting and reduced comparability;</p> <p>(4) recordability threshold based on days lost: limiting recordable injuries to cases with 3 or more lost workdays introduces non-standard criteria that conflict with</p>	<p>Review the definitions as follows:</p> <p>a. Recordable work-related accident: [...] (a) death, <del>more than three days of absence days away</del> from work, restricted work or transfer to another job, medical treatment beyond first aid, <del>or loss of consciousness</del>; or (b) <b>significant injury or ill health</b> diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, more than three days of absence from work, restricted work or job transfer, medical treatment beyond first aid, <del>or loss of consciousness</del>.</p> <p>Recordable work related ill-health: [...] (a) death, absence from work, restricted work or transfer to another job, medical treatment beyond first aid, <del>or loss of consciousness</del>; or (b) <b>significant injury or</b> ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, absence from work, restricted work or job transfer, medical treatment</p>	<p>Avoid conflated occupational and non-occupational factors. Include clarifications preventing disparate interpretations, overlaps and resulting in overall better comparability across companies.</p>

	<p>international norms, creating inconsistencies and potential underreporting. In contrast, work-related ill-health cases are considered recordable based on absence from work without the application of a minimum duration threshold. This asymmetry with ill-health cases and exclusion of short-duration absences distorts safety data, undermining accuracy, comparability and credibility.</p>	<p>beyond first aid, <del>or loss of</del> <b>consciousness</b>.</p>	
<p><b>ESRS S1-S4 DR S1-16, AR 36 for para. 42(b)</b></p>	<p>New application requirement for Human Rights incidents. As drafted in AR 36, companies would have to report all allegations or cases initiated, not just confirmed incidents. Applied across all social standards, this would mean collecting and reporting every lawsuit or complaint, even if the company was ultimately found not responsible. This approach risks overreporting, makes it harder to focus on truly material or confirmed incidents, and can create unnecessary administrative work.</p>	<p>The meaning of “incidents” also varies across standards; if the intention is to report complaints filed through specific channels, this should be explicitly stated. If the requirement concerns actual, confirmed incidents, this must also be clearly indicated. Only confirmed (substantiated) incidents should be subject to reporting, to prevent unnecessary reporting and the need for making corrections after the fact from one fiscal year to the next.</p> <p>The following changes should be made:</p> <ul style="list-style-type: none"> <li>- To ensure consistency between the SFDR and the ESRS, <b>the</b></li> </ul>	<p>Reduce reporting burden and complexity, avoiding boilerplating. Better focus on systemic issues. Align “limitation to severe” with the risk-based approach in international standards (e.g. OECD framework).</p>

		<p><b>term “severe” should be introduced whenever speaking of human rights incidents in the standard.</b></p> <ul style="list-style-type: none"> <li>- <b>Deletion of “(a) judicial and non-judicial proceedings that have been initiated (such as cases before domestic courts and tribunals, mediation and complaints filed with the National Contact Points for OECD Multinational Enterprises)”.</b></li> <li>- Importantly, the term “substantiated” should appear directly in the Disclosure Requirement itself, not just in the Application Requirements, to provide legal clarity and prevent over-reporting of unverified cases.”</li> </ul>	
<b>ESRS S1-15</b>	The current ESRS draft focuses on unadjusted gender pay gap (simple average difference between men and women), which can be misleading as it ignores structural factors like job grade/ seniority and location. Companies will report different figures based on their	<b>Allow companies to choose between disclosing the unadjusted or the adjusted gender pay gap.</b>	Improve the promotion of adjusted gender pay gap to increase the relevance of the measure, while do not make it mandatory.

	<p>geographical footprint without indicating whether gender pay equity is achieved. The overall aim is to provide transparency on whether a company pays an equal wage for the same type of work, no matter the gender (i.e. equal pay for equal work). While the adjusted gender pay gap compares gender pay gap based on the same job type, the unadjusted pay gap only compares men and women overall. Depending on the industry, this can lead to a distorted picture. Additionally, including benefits in the calculation further distorts the pay gap as they are managed individually by the respective countries independently of gender. For meaningful and comparable reporting, the adjusted pay gap is the more accurate metric.</p>		
<p><b>ESRS S1-15 para. 40b</b></p>	<p>Total remuneration ratio (ESRS S1-15 Para. 40b: the requirement to report on the ratio between the total annual remuneration of the highest paid person and the median total annual remuneration of all employees is irrelevant for corporate groups operating globally given the differences in salary levels between geographic areas. Secondly, in vertically integrated energy companies that are subject to legal and</p>	<p>Allow the calculation to be made using the “average” total annual remuneration (rather than the “median”), provided that the preparer details the methodology used so as not to compromise comparability between issuers. Additionally, the new relief clause should also exempt an undertaking from disclosing information required by an ESRS, or allow it to disclose the information on</p>	<p>Provide for more meaningful disclosures.</p>

	<p>regulatory unbundling rules, the mother company is not allowed to access or collect data from its regulated subsidiaries at the group level. Therefore, the median cannot be calculated. This situation is not sufficiently addressed by the relief clause inserted in ESRS 1 Para. 101 that only reliefs an undertaking “from disclosing qualitative and quantitative information required by an ESRS if applicable Union law and regulations prohibits the undertaking from disclosing or allows the undertaking to omit such disclosure.”</p>	<p>a more limited scope (of group companies) if legal and/or regulatory constraints hinder access to the data from (regulated) subsidiaries.</p>	
<b>G1-4 para. 11</b>	<p>The requirements fail to distinguish between the severity of convictions of board members versus other employees, and it does not consider cases where the company itself is sanctioned for corruption or bribery, either through criminal proceedings or administrative fines. Cases where a company is sanctioned for corruption or bribery are important, as they indicate systemic issues rather than individual excesses.</p> <p>The following issues are identified when including all employees in the reporting scope:</p> <p>(1) The reliance on information from accused individuals creates reliability</p>	<p>Focus the disclosure on data points that are decision-useful at the corporate level. To achieve this, the standard should be amended as follows:</p> <ul style="list-style-type: none"> <li>- Removing “<b>and sanctions</b>” from G1-4, para. 24(a),</li> <li>- Limiting the scope of AR5 for para. 11 as follows: “Convictions for the violation of anti-corruption and anti-bribery laws refer to final decisions issued by a criminal court against an individual or undertaking in respect of a criminal offence related to</li> </ul>	<p>Reduce reporting complexity and burden while keeping the information meaningful. Support proportionality and feasibility.</p>

	<p>issues, as court proceedings often occur years after the offense, and the employees may no longer be with the company.</p> <p>(2) The focus on payable fines for convictions of natural persons overlooks prison sentences (and their suspension if applicable), which are indicators of the severity of the crime.</p> <p>The addition of “and sanctions” to the paragraph adds a new requirement to the disclosure that was not initially part of the ESRS. Introducing additional requirements conflicts with the revision’s goal of simplification. Furthermore, the approach to accounting for sanctions remains unclear, and the added value of this inclusion is questionable.</p>	<p>corruption or bribery, where these court decisions are entered in the criminal record of the convicting European Union Member State or, if outside the EU, in the equivalent register or record of the jurisdiction concerned. Individuals should refer to top management and board members.</p> <p><b>Sanctions for the violation of anti-corruption and anti-bribery laws refer to final decisions issued by administrative or regulatory authorities against an individual or undertaking in respect of corruption or bribery.”</b></p>	
<p><b>G1-6</b></p>	<p><b>Payment practices</b></p> <p>This indicator is difficult to calculate in practice because the necessary data is not globally available and requires significant adaptation of existing tools that need sufficient implementation time.</p> <p>This is especially challenging for companies operating in multiple</p>	<p><b>Preferred solution:</b></p> <p>Deletion of this disclosure requirement.</p> <p><b>Alternative solution:</b></p> <p>Delete para. 17b and keep only letters a and c, as follows:  “17. The undertaking shall disclose:  (a) (33(b) amended) a description of</p>	<p>Reduce reporting complexity and burden while keeping the information meaningful. Support proportionality and feasibility.</p>

	<p>countries and across many different products or services, each of which may have different payment rules. Also, tracking supplier categories by size would require substantial system changes.</p> <p>In addition, reporting legal proceedings related to late payments without context offers little decision-useful information (material cases are already covered in legal risk reporting).</p> <p>This is confirmed by various benchmark reports published on the first reporting year demonstrating that a considerable share of preparers (in France) either reported this metric as non-material, or, when considered material, more than 50% of the preparers disclosed an incomplete scope only, resulting in limited comparability and quality of information.</p>	<p>the undertaking’s standard payment terms in number of days by main category of suppliers, specifying those that apply to SMEs, only if they are different from those generally applied; <b>(b) (33(b)) the percentage of its payments aligned with these standard terms; and</b></p> <p>(c) (33(c)) the number of legal proceedings currently outstanding for late payments.</p>	
ESRS Glossary	<p><b>Net zero Target definition:</b></p> <p>In the latest version of the standards, a definition of “Net Zero target” has also been reintroduced in the glossary: This definition provides for “neutralising the impact of any residual emissions (after approximately 90–95% of GHG emission reductions, with the possibility for justified sectoral variations in line with a</p>	<p>Remove, from the definition of Net-Zero target in the glossary, the sentence in brackets “<i>(after approximately 90–95% of GHG emission reductions, with the possibility for justified sectoral variations in line with a recognised sectoral pathway)</i>”.</p>	<p>This will remove a behavioral requirement which is in opposition with ESRS 1 objective 6: <i>(new) ESRS do not mandate behaviour except for behaviour specifically related to the reporting of sustainability information. Reporting in</i></p>

	recognised sectoral pathway) by permanently removing an equivalent volume of CO <sub>2</sub> .”		<i>accordance with ESRS does not exempt the undertaking from other obligations laid down in EU law.</i>
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