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EFRAG Sustainability Reporting Board Consultation Survey 2

Fields marked with * are mandatory.

EFRAG Sustainability Reporting Board Consultation Surveys 3A - 3D

Consultation survey structure

1. Overall European Sustainability Reporting Standards (ESRS) Exposure Drafts' relevance (Survey 1)

- 1A. Architecture
- 1B. Implementation of Corporate Sustainability Reporting Directive (CSRD) principles
- 1C. Exposure Drafts' content

2. European Sustainability Reporting Standards (ESRS) implementation prioritisation / phasing-in (Survey 1)

3. Adequacy of Disclosure Requirements (Survey 2)

- 3A. Cross cutting standards
- 3B Environmental standards
- 3C Social standards
- 3D Governance standards

EFRAG Sustainability Reporting Board Consultation Survey 2

Respondent Profile

1. Personal details

* Organisation name

Deutsches Aktieninstitut e.V.

* First name

Jessica

* Surname

Göres

* Email (this information will not be published or made public)

goeres@dai.de

* Country of origin

Germany

* **2. Type of respondent**

- ○ Academic / research institution
- ○ Audit firm, assurance provider and/or accounting firm
- ◉ Business association
- ○ Consumer organization
- ○ ESG reporting initiative
- ○ EU Citizen
- ○ Financial institution (Bank)
- ○ Financial institution (Other financial Market Participant, including pension funds and other asset managers)
- ○ Financial institution (Insurance)
- ○ National Standard Setter
- ○ Non-governmental organisation
- ○ Non-financial corporation with securities listed on EU regulated markets
- ○ Non-financial corporation with securities listed outside EU regulated markets
- ○ Public authority/regulator/supervisor
- ○ Rating agency and analysts
- ○ Trade unions or other workers representatives
- ○ Unlisted non-financial corporations
- ○ Other

* **3. Size**

- ○ Micro (1 to 9 employees)
- ◉ Small (10 to 49 employees)
- ○ Medium (50 to 249 employees)
- ○ Large (250 or more employees)
- ○ Not relevant

* **4. User/Preparer perspective**

- ○ User

- (●) Preparer
- ( ) Both
- ( ) Neither

*** 5. Subject to CSRD**

Separate non-financial corps subject to CSRD from those not subject to CSRD?

- ( ) Yes
- (●) No

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

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

- when sharing comments on a given Disclosure Requirement, and as much as possible, reference to the specific paragraphs being commented on should be included in the written comments,
- in the question asked, for each ESRS, about the alignment with international sustainability standards, these include but are not limited to the IFRS Sustainability Standards and the Global Reporting Initiative Standards. Other relevant international initiatives may be considered by the respondents. When commenting on this particular question, respondents are encouraged to specify which international standards are being referred to.

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

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

The undertaking shall give general information about (i) its sustainability report, and (ii) the structure of its sustainability statement.
The principle to be followed under this disclosure requirement is to give the necessary context of the sustainability reporting of the undertaking.

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Regarding the presentation option we would recommend to allow for integrated reporting at least as an option. See also comments on Q8.

DR 2-GR 2 – Sector(s) of activity

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

1) For part E:
Should not be too granular, e.g. headcount by country splits not necessarily material, revenue breakdown per sector and country often not material and no clear link to ESG; likely redundant to information already provided, integrated reporting must be possible for such overarching information

2) Any comments:
As the sector-specific standards SEC 1 have not yet been published, it is questionable to refer to a common sector definition in DR2-GR 2.

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E:
> Should not be too granular, e.g. clearly not at value chain partner level, to ensure that no confidential information is required. Furthermore, from our perspective more guidance is needed as to the value chain definition and perspective. For example, in larger groups, more than one value chain might exist. Additionally, further clarification is needed regarding the breakdown on entity level and end-user-levels. Further clarity is also needed on how the value chain is defined for financial companies and how the requirement to consider the entire value chain needs to be considered.

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E:
> No clear ESG link, could equally form part of financial reporting requirements but doesn't, may be of confidential nature. Further guidance would be needed as to what is required and in what granularity.

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

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> It does not make sense to require such information centrally; there should be a disclosure principle that requires information on data limitations etc. under the specific disclosure requirement to which the issue applies (e.g. scope 3 limitations to be disclosed together with scope 3 information, not centrally with other information). I.e. DR should be removed and be a principle in ESRS 1 only – this would be more aligned with ISSB approach. Centralized disclosure only makes sense where this applies to the entire sustainability statements.

DR 2-GR 6 – Disclosing on significant estimation uncertainty

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> It does not make sense to require such information centrally; there should be a disclosure principle that requires information on estimation uncertainty etc. under the specific disclosure requirement to which the issue applies (e.g. scope 3 limitations to be disclosed together with scope 3 information, not centrally with other information). I.e. DR should be removed and be a principle in ESRS 1 only – this would be more aligned with ISSB approach. Centralized disclosure only makes sense where this applies to the entire sustainability statements.

DR 2-GR 7 – Changes in preparation and presentation

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> It does not make sense to require such information centrally; there should be a disclosure principle that requires information on changes in preparation and presentation etc. under the specific disclosure requirement to which the issue applies (e.g. scope 3 changes to be disclosed together with scope 3 information, not centrally with other information). I.e. DR should be removed and be a principle in ESRS 1 only – this would be more aligned with ISSB approach. Centralized disclosure only makes sense where this applies to the entire sustainability statements (e.g. change in presentation option of sustainability statements).

DR 2-GR 8 – Prior period errors

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> It does not make sense to require such information centrally; there should be a disclosure principle that requires information on prior period errors etc. under the specific disclosure requirement to which the issue applies (e.g. scope 3 error to be disclosed together with scope 3 information, not centrally with other information). I.e. DR should be removed and be a principle in ESRS 1 only – this would be more aligned with ISSB approach.

DR 2-GR 9 – On other sustainability reporting pronouncements

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

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

DR 2-GR 10 – General statement of compliance

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Par. 30(b) should be removed as (b)(i) is implied by (a)(i), (b)(ii) is covered by DR ESRS 2-IRO1 and par. 30 (iii) would be covered by DRs ESRS 2-GR 5-8.

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

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

The undertaking shall provide a concise description of its strategy and business model as a context for its sustainability reporting.
The principle to be followed under this disclosure requirement is to provide relevant contextual information necessary to understanding the sustainability reporting of the undertaking. It is therefore a reference point for other disclosure requirements.

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E:
> Should not be too granular; likely redundant to information already provided, integrated reporting must be possible for such overarching information

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> Should not be too granular; likely redundant to information provided elsewhere as many DRs require information on how stakeholders were involved (e.g. on different policies), integrated reporting must be possible for such overarching information. Duplications must be avoided.

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Unclear how DR should be applied in practice. Further guidance is needed.
Should not be too granular, i.e. by no means at impact-level.

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

1) Unclear how DR should be applied in practice. Further guidance is needed.
2) Should not be too granular, i.e. by no means at risk or opportunity-level.
3) How should the interaction be presented? There are different standards requiring the disclosure of risks and opportunities. E.g. ESRS E1 requires undertakings to disclose their material physical and transition risks and opportunities.
4) Duplications have to be avoided.

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

1) Interaction with other regulations has to be made clear. E.g. if information is currently presented in the declaration of corporate management are references possible?
2) Duplication of information has to be avoided.

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

1) Should not be too granular.
2) Information could be confidential (DR 53).

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E:
> 1) Information is confidential (e.g. would require BoM meeting minutes, etc.).
> 2) Information to be provided should not be too detailed.

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

§ 64:In addition the information must be limited to corporate bodies and not extended to senior executives (not defined) or head of departments (AG 50). The final version of the CSRD reads: Art. 19a (2) (da) “information about the existence of incentive schemes offered to members of the administrative, management and supervisory bodies which are linked to sustainability matters”; The directive uses the word “existence”. In our opinion, companies could just state if there are such schemes and for further information point out to the remuneration system and report. This wording has probably finally been used in order not to interfere with SHRD II. For the same reason para: 64 (b) is not appropriate as “other employees” are not mentioned in Art. 19a (2) (da).

DR 2-GOV 5 – Statement on due diligence

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

1) DR2-GOV5 together with ESRS 1 does already seem to cross the fine line between only being a reporting requirement and requiring compliance with an underlying duty, which can clearly not be the role of the ESRS.
2) DR of ESRS2-GOV 5 should be a placeholder until the CSDDD applies – then, for CSDDD companies, a statement of compliance is sufficient, for other companies, further details may be needed.

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

The undertaking shall provide a description of its processes to identify its sustainability impacts, risks and opportunities and assess which ones are material.
The principle to be followed under this disclosure requirement is to provide information on (i) how the undertaking is organising its identification and assessment and (ii) what is in the scope of its identification and assessment of sustainability matters.

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

1) Too much focus on assessment process and respective disclosures than on actual IROs; very unlikely that materiality concept will be uniformly understood and that disclosure requirement will be uniformly applied without clear examples what is expected.
2) The required disclosures shouldn't be too detailed. The term opportunity does also entail entrepreneurial opportunities. Therefore, companies should be able to omit the information if it is confidential information.
3) Regarding 74 (d) we do not think this is a necessary information. From our point of view information of the latest and future revision dates are too detailed and shouldn't be required.

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> The DRs IRO-2 and IRO-3 of ESRS 2 would require centralized disclosure of IROs across topics, which would lead to a significant need for cross-referencing when policies, targets, action plans and performance measures related to those IROs are separately disclosed under the topical standards, creating fragmentation and complexity.
> The disclosure of information of negative impacts through its business relationships seem quite complex.

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

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> The DRs IRO-2 and IRO-3 of ESRS 2 would require centralized disclosure of IROs across topics, which would lead to a significant need for cross-referencing when policies, targets, action plans and performance measures related to those IROs are separately disclosed under the topical standards, creating fragmentation and complexity.

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

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

- when sharing comments on a given Disclosure Requirement, and as much as possible, reference to the specific paragraphs being commented on should be included in the written comments;
- in the question asked, for each ESRS, about the alignment with international sustainability standards, these include but are not limited to the IFRS Sustainability Standards and the Global Reporting Initiative Standards. Other relevant international initiatives may be considered by the respondents. When commenting on this particular question, respondents are encouraged to specify which international standards are being referred to.

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

DR E1-1 – Transition plan for climate change mitigation

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

E1-1, 13: Would a Science Based Target be sufficient?
E1-1, 15a: It is unclear how the alignment with limiting global warming to 1.5°C should be explained and what methods and tools should be used to assess this alignment
E1-1, 15c: How should an explanation regarding financial resources exactly look like?
E1-1, 15d: “Locked-in GHG emissions“ come with high uncertainties (alignment with common methodology (eg SBTi)), especially in the power sector due to the volatile load factors of the power plants. It is unclear how a meaningful figure can be calculated. There are dificulties regarding the 1.5 trajectory: for some sectors SBTi has not published 1.5 pathways. Does every company need to scientificly assess its own trajectory?

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
o E1-2, 19: This disclosure does not make sense - we need to obey all national legal requirements in markets/regions we are active in. Listing all requirements would not add value to reporting.
o We would recommend an option to disclose policies regarding climate change mitigation and adaptation together and not separately if this makes more sense for an undertaking.

Any comments:
It is furthermore unclear from our perspective, how detailed the information should be. We would recommend a rather aggregated level in order to show the whole picture.
E1-2, 19: It is unclear what the standard requires on „Overview of the main legal requirements It has to comply with". Most companies have operations in many states with different climate-related laws and regulations. It is doubtful if the required list is useful for the user of sustainability information.

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
- E1-3, 24(h) could lead to unnecessary granularity in reporting without adding benefits
- Resource plans do not add value to reporting (as it is irrelevant how many resources are set to reach the targets)

Any comments:
- E1-3, 24(d): Adjusting the base year retrospectively might lead to inconsistencies due to lack of past information.
- E1-3, 24: Option to disclose GHG emission reduction targets should also allow for intensity target only (at the moment absolute value and if meaningful intensity value)
- E1-3, 24: Exclusion of removals, carbon credits etc. might not be compatible with net zero trajectories for certain sectors. It should be allowed but with the requirement to disclose any inclusion of these instruments
- E1-3, 24: Requirements to adjust base year should be deleted, the standards should not intervene in the core responsibility of the organisation. As a compromise this should be made a recommendation.
- AG29. How should evidence for a representative base year look like?

How detailed should the information be? There should be a disclaimer that competitive information or business secrets do not have to be disclosed.

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

The undertaking shall disclose its climate change mitigation and adaption action plans and the resources allocated for their implementation.
The principle to be followed under this Disclosure Requirement is to provide transparency on the key actions taken and planned to achieve climate-related targets and to manage GHG emissions, transition and physical risks and opportunities, supporting the understanding of achieved performance improvements and the credibility of the undertaking’s policies, strategy and business model with regards to climate change.

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
Relevance as well as meeting the other objectives is hampered by inconsistencies and redundancies arising from unclear interaction of the disclosure requirements with the reporting requirements under the EU Taxonomy Regulation:
Reporting according to the Taxonomy Regulation on climate change mitigation and adaptation is linked to the undertaking's contribution to these objectives, but also to meeting the DNSH conditions and to compliance with the minimum safeguards. However, such additional conditions are not included in ESRS E1 as E1 focuses on objectives. As a consequence, CapEx and OpEx to be disclosed according to para. AG35 would not consider the DNSH conditions; whereas CapEx and OpEx to be disclosed according to Art. 8 of the Taxonomy Regulation will do so. Therefore, consistency as required by para AG35 can hardly be achieved. Taken as a whole, the requirement could result in redundancies and overlaps.
In addition, AG35 is not sector-agnostic as financials do not report CapEx- or OpEx-based KPIs under Art. 8 TR. While we do not see many issues for E1 from the financial sector perspective, overall, the E EDs need to be accompanied by sector-specific standards that do not (only) add requirements (as/if relevant), but especially provide guidance how the E EDs apply to the financial sector (if they shall remain sector-agnostic in their current form).

Any comments:
- E1-4, 30: Reporting on action plans and resources would be very granular and demand high (internal) resources. More flexibility for companies to decide on material issues is required
- E1-4, 28: Disclosure on what resources is expected? Financial resources, employee resources, infrastructure, …? A reconciliation with financial statements might be very complex and granular.

DR E1-5 – Energy consumption & mix

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
- Requested disclosures are very granular with regard to fuel type of consumed energy. An aggregated figure should be sufficient to report on, giving thus an indication on “sustainable energy consumption”. From our point of view, such an information does not lead to useful information. EFRAG should consider mentioning this to the ESAs which were anyway mandated to work again on the SFDR, incl. PAIs, so this might be considered by the ESAs and could then also be considered by EFRAG for E1.
- Notwithstanding the fact that these disclosures are required because of SFRD related information needs of financial market participants, the relevance of the information seems questionable.

For part F:
- EU Labelling Directive
- RED
- National legislation
- Market mechanism

DR E1-6 – Energy intensity per net turnover

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
Reporting on energy intensity per activities, also to be segregated from “high climate impact sector” could lead to high granularity with the risk to loose focus on priority action fields. An aggregated figure – in alignment with EU Taxonomy and to accommodate the need of financial market participants under the SFDR – should be sufficient.

For part F:
EU Taxonomy

Any comments:
From our perspective the disclosure regarding energy intensity depends on many differing external factors. Therefore, comparability also regarding prior year figures seems to be complex.

DR E1-7 – Scope 1 GHG emissions

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Reporting on gross/net emissions necessary

DR E1-8 – Scope 2 GHG emissions

The undertaking shall disclose its gross indirect energy Scope 2 GHG emissions in metric tons of CO2 equivalent.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the indirect impacts on climate change caused by the undertaking's consumed energy whether externally purchased or acquired.

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Reporting on gross/net emissions necessary
Market-based mechanism to be checked (what to report on)

DR E1-9 – Scope 3 GHG emissions

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> E1-9, 46: Breakdown of Scope 3 emissions should not be made in the mentioned breakdown categories but in the official categories of the GHG protocol.
>
> E1-9, 46: At least, we would suggest to provide more guidance regarding the different buckets regarding Scope 3 emissions meaning what is explicitly meant with the suggested categories.

DR E1-10 – Total GHG emissions

The undertaking shall disclose its total GHG emissions in metric tons of CO2 equivalent.
The principle to be followed under this Disclosure Requirement is to provide an overall understanding of the undertaking's GHG emissions and whether they occur from its own operations or the value chain. The disclosure is a prerequisite for measuring progress towards reducing GHG emissions in accordance with the undertaking's climate-related targets and EU policy goals as well as for the assessment of the undertaking's transition risks.

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
Only material GHG emissions should be defined by company (CO2, Methan…)

Any comments:
- Notwithstanding the fact that these disclosures are required because of SFRD related information needs of financial market participants, the relevance of the information seems questionable.
- From our point of view, the disclosure requirement as a sum of scope 1 to 3 emissions does not provide useful information. Only to add all emissions leads to double accounting across all companies.

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

DR E1-11 – GHG intensity per net turnover

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

o E1-11, 50: It should be considered if total GHG emissions is the right value to be taken into account for this ratio. Scope 1 emissions might be a better indicator.
o We are not sure whether the required disclosure leads to useful information. The reference to net revenue seems questionable as this does not necessarily show the energy efficiency of production sites.
o We would suggest a clarification regarding net revenue. Does it refer to revenue according to IFRS 15?

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

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part F:
> E1-12, 53: Guidance on " removed emissions" needed! Comparability difficult.
>
> Any comments:
> Required disclosures regarding value chain seem very complex. Enough flexibility for companies to report on removals must be possible (as this is a very dynamic topic).

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

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> Further guidance is needed which carbon credits are meant and how detailed the required information has to be.
>
> The EU climate trend is not addressed, therefore there is no added value for reporting organizations (EU target).

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

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E:
> First set should focus on mandatory requirements and ensure that they are of high quality rather than risking including low-quality optional disclosures and reducing (the anyway already very limited) time to focus on key requirements.

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

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part F:
- The disclosure of Potential financial impacts is mostly difficult due to confidentiality reasons (aggregated general values are not “useable” / have a low benefit)!
- We would recommend to allow also for a net disclosure of physical and transition risks and not only for gross disclosure, actions and net risks. From our perspective, to disclose also gross risks would only lead to a massive enlargement of disclosures with no added value for users.
- An alignment with the CSDDD is required.

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

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For Part E:
The disclosure of Potential financial impacts is mostly difficult due to confidentiality reasons (aggregated general values are not “useable” / have a low benefit)

Any comment:
We would recommend to allow also for a net disclosure of physical and transition risks and not only for gross disclosure, actions and net risks. From our perspective, to disclose also gross risks would only lead to a massive enlargement of disclosures with no added value for users.

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

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E:
> Criteria will be of very limited use due to confidentiality reasons. More general statements that will be probably reported, do no represents a reasonable cost/benefit balance (limited use for disclosure target group)
>
> Any comments:
> E1-17, 75b: Could be information under business confidentiality.

E2-1 – Policies implemented to prevent and control pollution

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
- As policies cover upstream and downstream value chain: this will depend on the complexity of the upstream and downstream value chain of the undertaking.
- Align the way how the boundaries along a value chain are set. (See for example 20.D)

For part G:
International alignment will only be possible once the ISSB covers pollution as well; we highly recommend for EFRAG and the ISSB to engage early on.

Any comment:
Vagueness: Terminology and boundaries unclear for paragraph 21 (b)

DR E2-2 – Measurable targets for pollution

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
- Paragraph 26 requires automated reporting of relation between environmental and financial data with respective data systems (costs of set up).
- Scope to be reduced – e.g. exclusion of relation to turnover?

For part F:
International alignment will only be possible once the ISSB covers pollution as well; we highly recommend for EFRAG and the ISSB to engage early on.

Any comment:
Excessive scope: Scope of proposed disclosure will require automated reporting on relation between financial and environmental data required

DR E2-3 – Pollution action plans and resources

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part G:
> International alignment will only be possible once the ISSB covers pollution as well; we highly recommend for EFRAG and the ISSB to engage early on.

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

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

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
- Excessive scope: Disclosure shall include products and services along the supply chain and product life-cycle
- Disclosure requires - apart from internal data - massive additional external data, e.g. for contextualization (paragraph 37: e.g. local air qualities, degree of urbanization), with respective resource implications

For part G:
International alignment will only be possible once the ISSB covers pollution as well; we highly recommend for EFRAG and the ISSB to engage early on.

Any comment:
- Paragraph 36 (d): it is unclear what is meant with “where relevant”. Does this consider the pollutants to be considered as material or does it mean the relevance of the area potentially affected or the relevance of the impact on the area? Specification is needed. Beside this, estimating the land or water affected is complex. Approaches to estimate this might vary a lot and accuracy might also differ a lot.
- Paragraph 37 (a) and (b): The contextualization of emissions of an undertaking in relation to the local air quality indices and the degree of urbanisation seems to be less relevant from an undertaking’s perspective.
- Paragraph 38: The activities taken place outside the European Union are not subject to the Industrial Emission Directive (IED), so it seems not to be relevant to include this under this paragraph.

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

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
Requires automated reporting of relation between environmental and financial data with respective data systems (costs of set up).

For part G:
International alignment will only be possible once the ISSB covers pollution as well; we highly recommend for EFRAG and the ISSB to engage early on.

Any comment:
- Excessive scope: Definition of substances of concern and most harmful substances covers wide range of basic raw materials & chemicals (e.g., enzymes)
- Overall: Sustainability and hazardous substances are not mutually exclusive. Especially the functionality or reactivity of chemical substances required for certain uses and processes is often inextricably linked to their hazardous properties. It is important to strengthen the safe and sustainable use of classified substances and at the same time identify and exclude specific, unacceptable risks.
- An assessment of the sustainable use of chemicals must therefore take into account their entire life cycle and, in addition to their impact on humans and the environment, the benefits and economic viability of their use
- Proposal will require reporting of sensitive data

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

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part G:
International alignment will only be possible once the ISSB covers pollution as well; we highly recommend for EFRAG and the ISSB to engage early on.

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

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

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

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part G:
> International alignment will only be possible once the ISSB covers pollution as well; we highly recommend for EFRAG and the ISSB to engage early on.

DR E3-1 – Policies implemented to manage water and marine resources

The undertaking shall disclose its policies related to water and marine resources2.

The principle to be followed under this disclosure requirement is to provide an understanding of how the undertaking monitors and manages its material water and marine resources impacts, risks and opportunities.

Q47: Please, rate to what extent do you think DR E3-1 – Policies implemented to manage water and marine resources

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
E3-1: With regard to suppliers, reporting would be challenging with extended resource demand. Suggestion to focus on priority topics and own operations. Data from supply chain may not be available in necessary quality in time frame for companies to publish their annual reports. Also, reporting entities are required to have their disclosures assured – which seems a massive multiplication of efforts if everyone must ask for everyone's data and have it assured.

Disclosure requirements include the undertakings relationship with water in its up- and downstream value chain, as per materiality assessment to be done explicitly including suppliers. This would create a huge reporting burden on a reporting organization. Suggestion to focus in a first steps on other topics (e.g. human rights, carbon emissions) and successively extending scope at a later stage (first revision of CSRD, after having gained experience with top priority topics) for not overburden reporting companies

For part G:
As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

DR E3-2 – Measurable targets for water and marine resources

The undertaking shall disclose the water and marine resources-related targets it has adopted.

The principle to be followed under this disclosure requirement is to provide an understanding of the targets the undertaking has adopted to support its water and marine resources policies and address its material related impacts, risks and opportunities.

Q48: Please, rate to what extent do you think DR E3-2 – Measurable targets for water and marine resources

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E: Reporting on related targets and water intensity figures, if available, seems meaningful. Given the broad nature of industries, it seems too limiting to request disclosures on specific figures in specific units. Suggestion to allow some flexibility in disclosures.
>
> For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

DR E3-3 – Water and marine resources action plans and resources

The undertaking shall disclose its water and marine resources action plans and the resources allocated for their implementation.

The principle to be followed under this disclosure requirement is to provide transparency on the key actions take and planned to achieve water and marine resources-related targets and to manage related risks, impacts and opportunities.

Q49: Please, rate to what extent do you think DR E3-3 – Water and marine resources action plans and resources

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> Fort part E: Reporting on resource plans does not necessarily address a target-oriented approach. It would be more benefial to report on target setting and target achievement as this would contribute much more to sustainability than naming huge resources.
>
> For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

DR E3-4 – Water management performance

The undertaking shall provide information on its water management performance.

The principle to be followed under this disclosure requirement is to provide an understanding of the undertaking's water cycle at entity level and how the undertaking is managing to meet the targets it has set.

Q50: Please, rate to what extent do you think DR E3-4 – Water management performance

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E: It is meaningful to disclose water management performance. Anyhow, requesting disclosure on entity-level would expand reporting in an unadvantageous manner. Suggestion to disclose on Group-level.
>
> For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.
>
> Needs to be prioritized for SFDR purposes (namely, the SFDR-relevant data points).

DR E3-5 – Water intensity performance

The undertaking may provide information on its water intensity performance.

The principle to be followed under this disclosure requirement is to provide an understanding of how the undertaking is managing to decouple net turnover from the withdrawal, consumption and discharge of water.

Q51: Please, rate to what extent do you think DR E3-5 – Water intensity performance

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E: E3-5: Reporting on related targets and water intensity figures, if available, seems meaningful. Given the broad nature of industries, it seems too limiting to request disclosures on specific figures in specific units. Suggestion to allow some flexibility in disclosures.
>
> For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.
>
> Needs to be prioritized for SFDR purposes (namely, the SFDR-relevant data points).

DR E3-6 – Marine resources-related performance

The undertaking shall provide information on marine resources-related performance indicators.

The principle to be followed under this disclosure requirement is to provide an understanding of how the undertaking is impacting marine resources and marine waters and how it is managing to meet whichever marine resources-related targets it has set.

Q52: Please, rate to what extent do you think DR E3-6 – Marine resources-related performance

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part G: E3-6: The current EU Taxonomy Regulation does not include criteria with regard to water and marine resources. It would be beneficial in the sake of quality if a linkage between Taxonomy and this EFRAG standard would be made once there is clarity on which criteria would have to be assessed. Additionally, high granularity in disclosures would not lead to comparable reporting, extending efforts at reporting organizations massively with no added value for stakeholders.
As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

DR E3-7 – Financial effects from water and marine resources related impacts, risks and opportunities
The undertaking shall disclose its financial effects of material risks and opportunities arising from water and marine resources-related impacts and dependencies.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the effects of material risks and opportunities, related to the undertaking's water and marine resources-related impacts and dependencies, on the undertaking's development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value, considering that those potential future financial effects may not meet at the reporting date the recognition criteria set for financial statements.

3B. Adequacy of Disclosure Requirements – Environmental standards (4/5)

DR E3-7 – Financial effects from water and marine resources related impacts, risks and opportunities

The undertaking shall disclose its financial effects of material risks and opportunities arising from water and marine resources-related impacts and dependencies.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the effects of material risks and opportunities, related to the undertaking's water and marine resources-related impacts and dependencies, on the undertaking's development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value, considering that those potential future financial effects may not meet at the reporting date the recognition criteria set for financial statements.

Q53: Please, rate to what extent do you think DR E3-7 – Financial effects from water and marine resources related impacts, risks and opportunities

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.
>
> E3-7: Assessment of potential financial impacts quantitively need guidance on estimation approaches as likelihood and grade of impact might vary massively between “educated guess” and real figures.

DR E4-1 – Transition plan in line with the targets of no net loss by 2030, net gain from 2030 and full recovery by 2050

The undertaking shall disclose its plans to ensure that its business model and strategy are compatible with the transition to achieve no net loss by 2030, net gain from 2030 and full recovery by 2050.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the transition plan of the undertaking and its compatibility with the preservation and restoration of biodiversity and ecosystems in line with the Post-2020 Global Biodiversity Framework and the EU Biodiversity Strategy for 2030.

Q54: Please, rate to what extent do you think DR E4-1 – Transition plan in line with the targets of no net loss by 2030, net gain from 2030 and full recovery by 2050

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
Uncertainty in the amount and availability of the needed information à potentially high costs in collecting and reporting the information especially concerning coverage of full value chain

Any comment:
- Not clear how to disclose transition plan across the value chain
- 15. The undertaking shall disclose whether the administrative, management and supervisory bodies have approved the transition plan à This information does not add any value for the user

DR E4-2 – Policies implemented to manage biodiversity and ecosystems

The undertaking shall disclose its policies related to biodiversity and ecosystems.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address prevention, mitigation or remediation of actual or potential adverse impacts and protection and restoration of biodiversity and ecosystems and of how the undertaking monitors and manages its material biodiversity and ecosystems-related impacts and risks and opportunities arising from impacts and dependencies and addresses the strategies of no net loss by 2030, net gain from 2030, and full recovery of biodiversity and ecosystems by 2050.

Q55: Please, rate to what extent do you think DR E4-2 – Policies implemented to manage biodiversity and ecosystems

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
Uncertainty in the amount and availability of the needed information à potentially high costs in collecting and reporting the information especially concerning coverage of full value chain

For part D:
Disclosure requirement is very detailed, and it is not clear how to present the information in an understandable way

DR E4-3 – Measurable targets for biodiversity and ecosystems

The undertaking shall disclose the biodiversity and ecosystem-related targets it has adopted.

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

Q56: Please, rate to what extent do you think DR E4-3 – Measurable targets for biodiversity and ecosystems

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Any comment:
- Reference in paragraph 34: reference is made to paragraph 27, but must be most likely paragraph 28
- AG 37. Targets related to raw materials shall follow the mitigation hierarchy ‘avoidance’ and “reduction and minimisation” before working on “biodiversity friendly production”. à What does biodiversity friendly production exactly mean? “Avoidance” can also lead to biodiversity friendly production from my point of view.
- Basis for conclusion: The concept of no net loss by 2030 and net gain by 2050 is principally designed to be applied at global or sub-global scales but acknowledges attempts to define methodologies to determine net-nature loss and gain at the level of the undertaking. There is not yet consensus on the definition and methodologies for assessing nature-positivity and net zero nature loss at the level of the undertaking. However, the Science-Based Target for Nature Initiative is working on delivering guidelines soon à Definitions and methodologies should be clear to do the assessment and ensure comparability of information

DR E4-4 – Biodiversity and ecosystems action plans

The undertaking shall disclose its biodiversity and ecosystems-related actions and action plans and allocation of resources to meet its policy objectives and targets.

The principle to be followed under this Disclosure Requirement is to provide transparency on the key actions taken and planned to achieve biodiversity and ecosystems-related targets and to manage related risks, impacts and opportunities.

Q57: Please, rate to what extent do you think DR E4-4 – Biodiversity and ecosystems action plans

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
Uncertainty in the amount and availability of the needed information à potentially high costs in collecting and reporting the information especially concerning coverage of full value chain

Any comment:
- Reference in paragraph 40: reference is made to paragraph 36, but must be most likely paragraph 37
- 41. The undertaking shall describe how it has incorporated traditional knowledge and nature-based solutions into biodiversity and ecosystems-related actions and actions plan à it is not clear what is meant with traditional knowledge
- In general, the disclosure requirements are extensive
- It is not clear how far the information on allocated resources as well as their knowledge (see BC32) is relevant for users

DR E4-5 – Pressure metrics

The undertaking shall report pressure metrics.

The principle to be followed under this Disclosure Requirement is to provide information on material impact drivers that unequivocally influence biodiversity, ecosystem services and underlying ecosystems.

Q58: Please, rate to what extent do you think DR E4-5 – Pressure metrics

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
Uncertainty in the amount and availability of the needed information à potentially high costs in collecting and reporting the information especially concerning coverage of full value chain

Any comment:
- Reference in paragraph 46: reference is made to paragraph 43, but must be most likely paragraph 44
- It is not clear why for pressure metrics it is not required to report by material geographical locations and/or material raw materials while it is required for impact and response metrics
- AG.46: Performance measures on Biodiversity and ecosystems are currently the object of many ongoing collective work at the time of the drafting of this Standard. That is why the disclosure requirements proposed in this [Draft] Standard are mostly principles-based, so as to clarify the categories of performance measures expected, as well as laying out the features of quality biodiversity and ecosystems-related measures rather than proposing specific measures per say. Wherever possible, the application guidance refers to examples of commonly used metrics and tools in the public domain to allow application of the different categories of measures required under this Disclosure Requirement. -> Only recommendations, but no clear guidance results in a lack of comparability

DR E4-6 – Impact metrics

The undertaking shall report metrics for material biodiversity and ecosystem-related impacts, either by material geographical locations, and/or by material raw materials.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the progress of the undertaking’s towards no net loss and net gain, including how biodiversity offsets may be integrated in this measurement approach.

Q59: Please, rate to what extent do you think DR E4-6 – Impact metrics

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
Uncertainty in the amount and availability of the needed information à potentially high costs in collecting and reporting the information especially concerning coverage of full value chain

Any comment:
- Reference in paragraph 55: reference is made to paragraph 52, but must be most likely paragraph 53
- AG.46: Performance measures on Biodiversity and ecosystems are currently the object of many ongoing collective work at the time of the drafting of this Standard. That is why the disclosure requirements proposed in this [Draft] Standard are mostly principles-based, so as to clarify the categories of performance measures expected, as well as laying out the features of quality biodiversity and ecosystems-related measures rather than proposing specific measures per say. Wherever possible, the application guidance refers to examples of commonly used metrics and tools in the public domain to allow application of the different categories of measures required under this Disclosure Requirement. -> Only recommendations, but no clear guidance results in a lack of comparability

DR E4-7 – Response metrics

The undertaking shall disclose response metrics.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking minimises, rehabilitates or restores material impacts on biodiversity and ecosystems in material geographical locations of sites and/or raw materials identified.

Q60: Please, rate to what extent do you think DR E4-7 – Response metrics

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
Uncertainty in the amount and availability of the needed information à potentially high costs in collecting and reporting the information especially concerning coverage of full value chain

Any comment:
- The disclosing requirement is very short and general. It is not clear how the three metric disclosure requirements are connected.
- AG.46: Performance measures on Biodiversity and ecosystems are currently the object of many ongoing collective work at the time of the drafting of this Standard. That is why the disclosure requirements proposed in this [Draft] Standard are mostly principles-based, so as to clarify the categories of performance measures expected, as well as laying out the features of quality biodiversity and ecosystems-related measures rather than proposing specific measures per say. Wherever possible, the application guidance refers to examples of commonly used metrics and tools in the public domain to allow application of the different categories of measures required under this Disclosure Requirement. -> Only recommendations, but no clear guidance results in a lack of comparability

DR E4-8 – Biodiversity-friendly consumption and production metrics

The undertaking may disclose metrics on its biodiversity-friendly consumption and production.

The principle to be followed under this optional Disclosure Requirement is, if the undertaking so decides, to provide an understanding of its consumption and production that qualifies as being biodiversity-friendly.

Q61: Please, rate to what extent do you think DR E4-8 – Biodiversity-friendly consumption and production metrics

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

E4-9 – Biodiversity offsets

The undertaking may disclose the actions, development and financing of biodiversity and ecosystems mitigation projects (offsets) inside and outside its value chain.

The principle to be followed under this optional Disclosure Requirement is to provide an understanding of the extent and quality of the development; investment and implementation of projects or programmes inside or outside the undertaking's value chain that compensate for any residual, significant adverse impacts on biodiversity that cannot be avoided, reduced or removed, minimised, or restore biodiversity loss inside or outside the undertaking's value chain (also commonly referred to as biodiversity offsets).

Q62: Please, rate to what extent do you think DR E4-9 – Biodiversity offsets

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

DR E4-10 – Financial effects from biodiversity-related impacts, risks and opportunities

The undertaking shall disclose its financial effects of risks and opportunities arising from biodiversity-related impacts and dependencies.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the effects of risks and opportunities, arising from the undertaking's biodiversity-related impacts and dependencies, on the undertaking's development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value, considering that those potential future financial effects may not meet at the reporting date the recognition criteria set for financial statements.

Q63: Please, rate to what extent do you think DR E4-10 – Financial effects from biodiversity-related impacts, risks and opportunities

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Any comment: This might include sensitive data

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

DR E5-1 – Policies implemented to manage resource use and circular economy

The undertaking shall disclose separately its policies (i) to decouple economic activity from extraction of non-renewable resources and (ii) for regeneration of renewable resources and ecosystems.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the undertaking's ability to transition away from extraction of virgin non-renewable resources and to implement practices that secure and contribute to the regeneration of the stock of renewable resources and the ecosystems they are part of.

Q64: Please, rate to what extent do you think DR E5-1 – Policies implemented to manage resource use and circular economy

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
There will be a need to significantly update data collection and reporting systems in order to have the data in a form and quality as required (including the nature of data which is important, e.g. measured, calculated, estimated, modelled). That will require time and human resources.

For part G:
It would be appropriate to consider developing a comparison/ benchmark for businesses to understand to what is needed and for auditors to assess the reporting – the verification and data quality including the reporting formats will have an impact.

Any comment:
The definition of renewable materials needs to be well understood and meaningful. It is not clear for example what "quickly replenished by ecological cycles" means: Does this translate to aluminum and steel being considered renewable? The use of renewable (plant based) resources has multiple corollary effects on land usage, food, water, etc. How will those be considered?

DR E5-2 – Measurable targets for resource use and circular economy

The undertaking shall disclose the resource use and circular economy-related targets it has adopted.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the capacity of the undertaking to meet the policy's objectives of resource use and circular economy.

Q65: Please, rate to what extent do you think DR E5-2 – Measurable targets for resource use and circular economy

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
The timeline there and the need change and activities are stretched and will add on costs
A detailed description on geographies which are covered by a target shall be avoided.

For part F:
To be consistent with EU's policies, this standard has to be treated with due care and consider how legislative proposals will be finalized.

For part G:
A harmonization global task group could help reflect and ensure the unified interpretation of standards definition and terms. To ensure alignment and comparability, it would be preferred that certain terms are aligned globally. It is currently not the case in waste and plastic pollution, and its related standards.

Any comment:
- With secondary material (AG11), there is postconsumer, postindustrial and postproduction. It is easy to work with postindustrial that is state of the art, it gets tricky (and costly) with the post-consumer and the need of a significant infrastructure to provide the material in the form to the recycling. There is no specification in the reporting right now.
- 25a targets to eliminate waste – it would be appropriate to determine boundaries in relation to suppliers and customers to avoid double/multiple counting across a value chain and values are allocated to the correct entity.

DR E5-3 – Resource use and circular economy action plans

The undertaking shall describe its resource use and circular economy-related action plans and the resources allocated to their implementation.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the measures taken to increase the share of circularity in the flows and to optimise the use of resources supporting the credibility of the undertaking's strategy to develop circular business models fostering the transition to a more circular economy.

Q66: Please, rate to what extent do you think DR E5-3 – Resource use and circular economy action plans

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
A detailed description on geographies which are covered by a target shall be avoided. To ease the costs, we would suggest reporting that a target at group level Group-wide.
It may also be impossible to describe (with a list) stakeholders which are impacted by activities. A general description should be sufficient, and this should be feasible while ease the costs.

For part F:
It is questionable the disclosure of information on the relevant internal processes regarding lobbying activities in favour of the circular economy (AG 13). Firstly, it is not clear what is meant. Secondly, it is not verifiable.

For part G:
It is necessary to provide clear metrics definition.

DR E5-4 – Resources inflows

The undertaking shall provide information on its resources' inflows.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the resource use in the course of the undertaking's own operations, considering separately renewable and non-renewable resources and including transparency on virgin versus non virgin materials and on sustainable versus regenerative source.

Q67: Please, rate to what extent do you think DR E5-4 – Resources inflows

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E:
Resource inflow: Weight and percentages may be difficult (for some sectors, impossible). It is suggested to be more precise in the sectorial standards.

Any comment:
- It is suggested to avoid granular consideration of adverse or beneficial other environmental impacts. This is extremely complex, require reporting and administrative efforts which are not necessary considering other existing legislation (e.g. Taxonomy).
- Point 33 - The metrics appear to partially apply to product and packaging (33.a and 33.b) or only to packaging (33.c). It is suggested to consistently have two separate measures for products and packaging as the materials and related data are managed differently.

DR E5-5 – Resources outflows

The undertaking shall provide information on its resources' outflows.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking is contributing to circular economy by increasing the durability, reparability, upgradability, reusability or recyclability of the products and materials.

Q68: Please, rate to what extent do you think DR E5-5 – Resources outflows

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part F:
> In this section it is important that definitions of durability, reusability etc. are aligned with relevant EN/ISO standards and the upcoming regulation on Ecodesign requirements for sustainable products
>
> For part G:
> It is suggested to develop methodologies to quantify and qualify resource outflows
>
> Any comments:
> This measure does not make sense if it is inclusive of both products and packaging. Down the drain products (e.g. toothpastes) do not fit into the "designed for" definitions and do not relate to this disclosure. This should be a packaging-only measure to be meaningful.

DR E5-6 – Waste

The undertaking shall provide information on its wastes.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the undertaking waste management strategy and of the extent to which the undertaking knows how its waste is managed in its own activities.

Q69: Please, rate to what extent do you think DR E5-6 – Waste

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part F:
- The EFRAG Exposure Draft misses the post-consumer phase of waste.
- It is suggested to use the definitions of “incineration”, “landfilling”, “recycling” and “recovery” included in the waste framework directive.
Material used and waste – a waste balance approach is suggested: get the input streams and the production deducted and the waste that is generated. The waste generated at production facilities and offices is traceable and reported but not always in many fractions and it is difficult to identify what can be done to minimize the waste in detail. It shall be observed that Member States have different starting points when it comes to waste prevention and recycling.
While prevention is not a criterion, it is suggested to add it to report on company’s efforts in terms of waste reduction at and more recycling and circulation of secondary raw materials.
Post-consumer waste is not mentioned - despite the EU legislation on extended producer responsibility, there is no mention of post-consumer waste. This is a missed opportunity as it is unclear what is happening at the end. It is suggested to add some clarifications or take a staged approach (to include it in a second step). Although the reporting is not always possible as per single company, it is necessary to add it to address the PCR need.

Any comment:
The waste generation and its split on the different waste categories is standardized within EU but not globally. The definition of waste management is seen differently. Waste prevention is not explicit mentioned, which may lead thinking that having a lot of waste at source with a high degree of bringing it back in circularization is better than having less waste at source and hence smaller amount back in the value chain. Such a waste assessment and waste classification is key to identify the valuable streams in quality and quantity.
Definitions – the waste definition is not always in line with the legislation and some terms are used with different meaning. Waste collection is recycling in Anglo-American countries. Advanced recycling in US is rather more meant to be back to fuel, whilst in Europe it is clearly meant to recovery and recycling. There is a need of awareness and transparency to provide the correct measures and comparability (even within the EU).
For operations with low amounts of manufacturing waste, this should be limited to the definition of hazardous vs. non-hazardous only. The remaining waste categories (by recovery operation type) require high reporting complexity for potentially a small footprint (particularly when the impact is mostly related to post-consumer waste and product circularity).
DR to be prioritized for SFDR purposes (however, only as regards the SFDR-relevant data points).

DR E5-7 – Resource use optimisation

The undertaking shall provide information on its strategy to optimise resource use in creating circular business models.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the intensity of materials and products used by the undertaking and its capability to keep a resource at its highest value.

Q70: Please, rate to what extent do you think DR E5-7 – Resource use optimisation

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part G:
To ensure comparability, clear measurement metrics and templates/ methodologies shall be defined.

Any comment:
There is little difference between E 5-5 Resource outflows and E 5-7 Resource use optimization. Suggestion to bring them together.

DR E5-8 – Circularity support

The undertaking shall provide information on its ability to create partnerships to accelerate the transition from linear to circular economy.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the services and products that contribute to create circular systems initiatives outside its own activities in the value chain.

Q71: Please, rate to what extent do you think DR E5-8 – Circularity support

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E:
> E 5-8 Circularity Support: List of actions already required under 5-3 Resource use and action plans, this could be harmonized to avoid unreasonable reporting efforts.

DR E5-9 Financial effects from resource use and circular economy-related impacts, risks and opportunities

The undertaking shall disclose its financial effects of material risks and opportunities arising from resource use and circular economy-related impacts and dependencies.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the effects of material risks and opportunities, related to the undertaking's resource use and circular economy-related impacts and dependencies, on the undertaking's development, performance and position over the short-, medium- and long-term and therefore on its ability to create enterprise value, considering that those potential future financial effects may not meet at the reporting date the recognition criteria set for financial statements.

Q72: Please, rate to what extent do you think DR E5-9 – Financial effects from resource use and circular economy-related impacts, risks and opportunities

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part G:
> Alignment would be needed with regard to financial reporting requirements. This would limit reporting and admin costs while truly create added value.
>
> Any comment:
> The disclosure requirement is too broad and generic as effects are not well known or established. The effects of many environmental impacts on the financial position of the company are not well known. Impacts can vary greatly and no common approach to materiality is established

3C. Adequacy of Disclosure Requirements – Social standards (1/4)

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

- when sharing comments on a given Disclosure Requirement, and as much as possible, reference to the specific paragraphs being commented on should be included in the written comments,
- in the question asked, for each ESRS, about the alignment with international sustainability standards, these include but are not limited to the IFRS Sustainability Standards and the Global Reporting Initiative Standards. Other relevant international initiatives may be considered by the respondents. When commenting on this particular question, respondents are encouraged to specify which international standards are being referred to.

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

DR S1-1 – Policies relate to own workforce

The undertaking shall state its policies that address the management of its material impacts on own workforce, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on the undertaking's own workforce specifically, as well as policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both

the internal organisation, and the workers whose interests they address, are made aware of their existence and content.

Q73: Please, rate to what extent do you think S1-1 – Policies relate to own workforce

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: Very detailed request to disclose information. For large undertakings it will be difficult to condense information requested to a reasonable length and set of information meaningful for users of the report.

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

Explicit reporting requirements are mixed with recommendations on what an entity may explain. This will undermine the materiality assessment. The application guidance also contains extensive additional reporting requirements. Coherence between the final directive, implementation standards, application guidance and the national implementation rules is of utmost importance to ensure legal certainty.

To be prioritized for SFDR purposes (the SFDR-relevant data points). However, PAI indicator would not be adequately covered:
- Similar to comment on S1-25: it would be significantly better if there was a disclosure point on alignment with UNGC principles / OECD. Preferably, this disclosure point could also directly include all the alignment points required for EU Taxonomy (minimum social safeguards).

DR S1-2 – Processes for engaging with own workers and workers' representatives about impacts

The undertaking shall explain its general processes for engaging with its own workers and workers' representatives about actual and potential material impacts on its own workforce.
The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages, as part of its ongoing due diligence process, with its own workers and workers' representatives about material, actual and potential, positive and/or negative impacts that do, or may, affect its own workforce.

Q74: Please, rate to what extent do you think S1-2 – Processes for engaging with own workers and workers' representatives about impacts

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E: Very detailed request to disclose information. For large undertakings it will be difficult to condense information requested to a reasonable length and set of information meaningful for users of the report.
>
> For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.
>
> It will be difficult for companies to assess material current and potential impacts since there is no universally applicable methodology for identifying measuring negative or positive impact affecting the own workforce. AG 32-43 include additional reporting requirements which clearly exceeds the purpose of an Application Guidance.

DR S1-3 – Channels for own workers and workers' representatives to raise concerns

The undertaking shall describe:

- the channels it has in place for own workers and workers' representatives to raise their concerns or needs directly with the undertaking, and / or
- the processes through which the undertaking supports the availability of such channels through the workplace of own workers, and
- how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which the undertaking's own workers and workers' representatives can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of grievance mechanisms in the workplace of their own workers and workers' representatives, how follow up is done with these own workers and workers' representatives regarding the issues raised, and the effectiveness of these channels.

Q75: Please, rate to what extent do you think S1-3 – Channels for own workers and workers' representatives to raise concerns

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.
>
> There should be a clear-cut distinction between the legal right of workers to have institutionalised representation in form of a works council or alike to raise concerns and company practices related to the corporate feedback culture to put forward concerns.

DR S1-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The undertaking shall explain any outcome-oriented targets it may have related to:

1. Reducing negative impacts on its own workforce; and/or
2. Advancing positive impacts on its own workforce; and/or
3. Managing material risks and opportunities related to its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure its progress in addressing its negative impacts and/or advancing positive impacts on its own workforce, and/or in managing material risks and opportunities related to its own workforce.

Q76: Please, rate to what extent do you think S1-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.
>
> Companies should focus on targets related to their most material ESG-related topics. The areas for target setting as described in AG 53 in the context of own workforce eg. ensuring adequate housing are neither sector-agnostic nor do they reflect the granularity level of global target setting.
> Thus, the KPI should rather focus on describing a process how to determine most material topics related to the own workforce as well as requiring a description of the related target and due diligence systems instead of requiring targets related to topics which might not be material in a sector-agnostic way.

DR S1-5 – Taking action on material impacts on own workforce and effectiveness of those actions

The undertaking shall explain:

1. What action is planned or underway to prevent, mitigate or remedy material negative impacts on its own workforce that are connected to its operations, products or services;
2. Any additional initiatives or processes it has in place with the primary purpose of delivering positive impacts for its own workforce; and
3. How it assesses the effectiveness of these actions, programmes and processes in delivering outcomes or its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the types of processes, initiatives or engagements through which the undertaking:

1. Works to prevent, mitigate and remedy material impacts on its own workforce; or
2. Seeks to achieve positive impacts for its own workforce, recognizing that in both instances, the ultimate aim is to deliver improved outcomes in workers' lives.

Q77: Please, rate to what extent do you think S1-5 – Taking action on material impacts on own workforce and effectiveness of those actions

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: For large undertakings it will be difficult to condense information request to a reasonable length and information set useful for public and in a comparable way(D).

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

It is questionable whether the betterment of workers lives to the extent described in AG 70 -71 lies in the companies' responsibility.

Likewise, the suggested correlation between enhanced financial literacy and reduced sexual harassment in the workplace remains controversial. Maintaining a discrimination-free environment is a task for society as a whole, and it is a matter of inner attitudes. The right way to achieve more diversity and protection against discrimination is therefore education and awareness-raising.

Generally, the AG is way out of proportion and needs to be reconsidered in its entirety. The application guidance contains extensive additional reporting requirements. This is not in line with the purpose of an application guidance such as introducing particular requirements.

DR S1-6 - Approaches to mitigating material risks and pursuing material opportunities related to own workforce

The undertaking shall explain:

- What action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on its own workers; and
- What action is planned or underway to pursue material opportunities for the undertaking in relation to own workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing material risks and pursuing material opportunities related to its own workforce.

Q78: Please, rate to what extent do you think S1-6 - Approaches to mitigating material risks and pursuing material opportunities related to own workforce

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: Difference to DR-5 not clear – no added value perceived.

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

Connection to reporting on general Risk Management (focus on presentation in the overall company's risk approach or on workforce topics, interference if both)
This requirement obliges to disclose forward-looking information revealing a lot about a company's strategy and is therefore likely to often be commercially sensitive. There is also a connection to the reporting on general Risk Management (focus on presentation in the overall company's risk approach or on workforce topics, interference if both)

DR S1-7 – Characteristics of the undertaking's employees

The undertaking shall describe key characteristics of employees in its own workforce.
The principle to be followed under this Disclosure Requirement is, in conjunction with Disclosure Requirement ESRS S1-8, to provide insight into the undertaking's approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other Disclosure Requirements in this Standard, in particular on Working Conditions, Equal Opportunities and Other Work-Related Rights.

Q79: Please, rate to what extent do you think S1-7 – Characteristics of the undertaking's employees

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: Much of the information is clearly relevant, but the DR is significantly too granular – not all required information and splits would be material.

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

D.
AG92: If the undertaking has employees in more than one country, it shall use the definitions as per the national laws of the countries where the employees are based to calculate country-level data. The country-level data shall then be added up to calculate total numbers, disregarding differences in national legal definitions …"

The current proposal of the KPI requiring extensive tables with a breakdown by country for countries in which the undertaking has 50 or more employees is by far to detailed and would lead to tremendous additional reporting burden (for some DAI companies nearly 100 separate tables). More importantly, the reporting efforts would not lead to a better performance since the KPI as such is not suitable – neither for corporate steering, nor for the information needs of interested stakeholders. AG 92 states, that "If the undertaking has employees in more than one country, it shall use the definitions as per the national laws of the countries where the employees are based to calculate country-level data. The country-level data shall then be added up to calculate total numbers, disregarding differences in national legal definitions".
Aggregating KPIs with different underlying definitions is not a common or accepted reporting practice and will lead to major friction in the overall assurance process, since such data would not receive any external assurance.
Thus, we strongly recommend to either delete the KPI or raise the threshold (eg. include countries with relevant business operations eg. more than 10% turnover rate or more than 5000 employees for large companies)

DR S1-8 – Characteristics of non-employee workers in the undertaking's own workforce

The undertaking shall describe key characteristics of non-employee workers in its own workforce.
The principle to be followed under this Disclosure Requirement is, in conjunction with Disclosure Requirement S1-7, to provide insight into the undertaking's approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other Disclosure Requirements in this Standard, in particular on Working Conditions, Equal Opportunities and Other Work-Related Rights.

Q80: Please, rate to what extent do you think S1-8 – Characteristics of non-employee workers in the undertaking's own workforce

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: Much of the information is clearly relevant, but the DR is significantly too granular – not all required information and splits would be material.

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

A/C/D/H
Key of the sustainability matter is to ensure respective policy regulations respecting the rights of non-employees and their endorsement. In combination, overall transparency about the key characteristics of non-employee workers is certainly a topic to be evolved. However, it is unclear, whether a company has the legal basis for collecting information on non-employees and how an external assurance could be achieved for data provided by external parties. In addition, significant manual effort is to be expected as external data cannot be derived from the company's own IT system.
Given the fact, that there is no time-tested process on how to combine external data into own company's reporting processes in an auditable and well-proven way, the detailed scope of requested information in this indicator is too ambitions.

Reporting on the undertaking's own workforce shall generally include disclosures on employees and non-employees. However, this bears the risk that it could be interpreted like non-employees, including agency workers, are treated like own employees which could represent a co-employment risk to the undertaking. Non-employees should therefore be excluded here and instead be reported under ESRS S2 Workers in the Value Chain.

DR S1-9 – Training and skills development indicators

The undertaking shall disclose the extent to which training and development is provided to its own workforce.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the training and skills development-related activities that have been offered to own workers, within the context of continuous professional growth, to upgrade own workers' skills and facilitate continued employability.

Q81: Please, rate to what extent do you think S1-9 – Training and skills development indicators

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: Training and development can be provided not only via classroom trainings, but also via “on the job” training, social learning, coaching, peer exchanges and many more tools, so that the sole measurement in hours and costs does not seem suitable to display “the extent to which training, and development is provided to its own workforce”. The current requirement is not meaningful and cannot be reported in an exact, complete, comparable, reliable and thus cost-efficient way, neither would be relevant for steering towards a diversified learning environment.

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

Learning and development are essential success factors for a strong company culture. The skills and competencies of employees are critical for profitable growth and lasting success. For global undertakings it is important to promote and specify a binding equal approach for training and skills development. However, due to the various specific local needs, the topic is decentralized managed to meet the diverse requirements. The leader and the employee share responsibility to identify the suitable further training. For large undertakings, global central tracking of these training figures does not represent the state of the art. In ever faster changing and agile environments, learning changes equally. Meanwhile, training is only one amongst many forms of learning and our employees demand for a mix of different learning types beyond training as well as for more personalized learning offers, e.g., social learning, peer exchange formats, learning on the job /in projects, coaching, asynchronous learning formats, and many more. Many of these learning types are difficult to track. We also see a problem to collect all the data on a global scale due to data privacy (no global personnel filing of sensible data), also the collection of this data for non-employees is in the responsibility of every effective employer. Key of the sustainability matter is to ensure respective policy regulations and nondiscrimination not the exact reporting. To reflect how we respond to the needs of our employees, instead of tracking and reporting numbers like training hours, we think a more qualitative approach highlighting concrete examples on how we innovate learning and what multitudinous offers we have for whom seems more sustainable and reasonable.

DR S1-10 – Coverage of the health and safety management system

The undertaking shall disclose information on the extent to which its own employees are covered by its health and safety management system.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the coverage of the undertaking’s management system to prevent harm and promote health amongst the undertaking’s employees.

Q82: Please, rate to what extent do you think S1-10 – Coverage of the health and safety management system

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

Support on disclosing a “coverage %” instead of a mere “% of sites certified?
Setting-up robust OHS management systems is self-evident and in the own interest of companies. Globally operating companies have to deal with a multitude of different requirements across countries, especially outside the EU.
Germany, for example, has very strict occupational health and safety laws and regulations, which are also regularly monitored by the accident insurance and state supervisory authorities; nevertheless, these standards cannot be applied internationally. Companies are already compliant with the legal requirements and customs that apply within the national context of their economic activities, reporting on compliance thus would become redundant.

3C. Adequacy of Disclosure Requirements – Social standards (2/4)

DR S1-11 – Performance of the health and safety management system

The undertaking shall disclose the number of incidents associated with work-related injuries, ill health and fatalities of its own workers.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the quality and performance of the established health and safety management system to prevent work-related incidents. The undertaking shall provide the following information to comply with paragraph this Disclosure Requirement:

- the number of fatalities as a result of work-related injuries and work-related ill health;
- the number and rate[1] of recordable work-related injuries;
- the number of cases of recordable work-related ill health; and
- the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health.

[1] This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 as reflecting an additional indicator related to principal adverse impacts as set out by indicator #2 in Table 3 of Annex 1 of the related Delegated Regulation with regard to disclosure rules on sustainable investments (“Rate of accidents”).

Q83: Please, rate to what extent do you think S1-11 – Performance of the health and safety management system

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

Question is on S1-11 (63) (d) the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health.

Question: which amount of Lost Work Days should be used in case of a fatalities (legal standards in most cases prescribe 365 days)?

The importance of occupational health and safety management systems is undisputable. Nevertheless, the practicability and significance of this reporting obligation remains questionable, for example, information required under para. 63 d) is not available to companies, as the exact reason for sick leaves are often not openly stated by doctors. In Germany, companies are legally prohibited to demand the disclosure of such sensitive information from their employees.

The disclosure should moreover respect the difference between a work accident (typically defined as a sudden incident resulting in an injury immediately or within a few days) and work-related illness (which is a result of a long-time impact from the work conditions). It furthermore has to take national definitions into considerations, i.e., in some countries transportation to/from work is considered part of the work hours while in other countries it is considered to be outside work hours. In addition, the examination of whether an incident is considered as a work-related illness (occupational disease) is in the hands of the competent accident insurance in Germany. Here, too, there will be country-specific differences as to which occupational diseases are (or can be) recognised at all. Companies are already compliant with the legal requirements and customs that apply within the national context of their economic activities, reporting on compliance thus would become redundant.

Reported KPIs must be put into context considering what accident rates and occupational diseases are common in the respective countries and in the corresponding sector.

(Optional) DR S1-12 – Working hours

The undertaking shall disclose the percentage of its own workers that exceed 48 hours of work per week over the applicable reference period.
The principle to be followed under this Disclosure Requirement is to provide an understanding of whether the undertaking respects the thresholds established by the EU and ILO standards on weekly working hours (48 hours per week over a reference period) to protect own workers' physical and mental health and their safety and work-life balance.

Q84: Please, rate to what extent do you think S1-12 – Working hours

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: On a global scale, very different legal grounds are used, and local particularities come into play, in our opinion, the proposed KPI cannot create a reliable and comparable KPI.

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

This disclosure requirement designated as “optional” should be deleted.

The current draft of the directive requires reporting in more general terms on ‘working time’ instead of “working hours”. Against the background of the existing legal protection under the EU Working Time Directive, companies already comply with the legal requirements and customs that apply within the national context of their economic activities.

A/C/D Key of the sustainability matter is to ensure respective policy regulations and their endorsement, not the exact FTE reporting. On a global scale, very different legal definitions are used, and local particularities come into play, in our opinion, this approach would not create a reliable, comparable and assured KPI.

Optional DRs should be removed; the short time remaining should until mid-November should be fully dedicated to achieving the highest possible quality for the mandatory DRs.

DR S1-13 – Work-life balance indicators

The principle to be followed under this Disclosure Requirement is to provide an understanding of the actual practices amongst the employees to take family-related leave in a gender equitable manner.

Q85: Please, rate to what extent do you think S1-13 – Work-life balance indicators

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: manual effort, Information to be collected manually as global information cannot be derived from a customized IT system

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

A/C/D Key of the sustainability matter is to ensure respective policy regulations and nondiscrimination not the exact percentage reporting. Compliance with national regulations to be ensured. On a global scale, very different legal definitions are used, and local particularities come into play, in our opinion, this approach would not create a reliable, comparable and assured KPI.

Work-life balance indicators should not be limited to family-related leaves and should instead have a stronger focus on material sub-topics like flexible work options and part time work options. Companies should be able to provide other eligible work-life balance-related offers such as workplace health promotion programmes, corporate leadership culture, childcare facilities, sabbaticals, workation

In Germany like elsewhere, family-related leaves are regulated by law. Differences in national law reflecting cultural and societal preferences would not allow for meaningful comparability. Whilst family-related leave is part of legal compliance in Germany or other European countries, it is part of positive differentiation in other regions in the world. Thus, it could not be covered by a standardized KPI.

DR S1-14 – Fair remuneration

The principle to be followed under this Disclosure Requirement is to provide an understanding of whether all of an undertaking's own workers are earning a fair wage, and, if this is not the case, an understanding of what percentage of own workers are earning less than a fair wage.

Q86: Please, rate to what extent do you think S1-14 – Fair remuneration

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: It is unclear, whether a company has the legal basis for collecting information on non-employees and how an external assurance could be achieved for data provided by external parties. In addition, significant manual effort is to be expected as external data cannot be derived from the company's own IT system.

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

C/D Compensation in undertakings should be based on objective criteria worldwide that lead to a fair compensation, especially the employee's position, their individual performance and company's success should be reflected. To be comparable, it should be clearly defined what elements are to be considered and which not to distinguish the term "Fair remuneration" from other terms, such as living wage. The specific application of benchmarks can also influence comparability, so a clear guideline is also needed. Compensation data is very dependent on the local legal requirements.

This disclosure requirement is not justified, disclosing the required information could be even considered illegal across EU.

The remuneration of the lowest-earning employee cannot be justified under data protection law. In most cases, the remuneration can be traced back to a specific person, especially the lowest (same as the highest) paid individual, in the company and thus constitutes personal data. The processing of personal data is subject to legal requirements under the General Data Protection Regulation. A legal basis for the processing and disclosure of the remuneration is not provided for in the GDPR.

In Germany, employees of the company can already find out about the wage structures within the company via the national pay transparency act.

The draft CSRD does not have any specification as concerns wages determining any set benchmarks to detect "fair" (or "decent, minimum or living") wages. Thresholds for setting minimum wages such as in AG 141 are not covered by Art. 153 (1) (b) TFEU ('working conditions') and fall under the competence-based exception of Art. 153 (5) TFEU ("pay"). A negative limitation by threshold values is ultimately also to be identified as a regulation of pay.

It is important to acknowledge that the role of a wage is to provide an adequate compensation for work performed and should therefore not be confused with the role of minimum income.

Companies already need to comply with statutory minimum wage provisions, where appropriate, and other existing provisions in countries where minimum wages are set through collective bargaining or without minimum wage systems, whilst fully respecting the diversity of national wage setting systems.

DR S1-15 – Social security eligibility coverage

The undertaking shall disclose the percentage of its own workers eligible for social security.
The principle to be followed under this Disclosure Requirement is to understand whether there are own workers of the undertaking that are not eligible for social security and, as a result, are especially vulnerable to major social risks.

Q87: Please, rate to what extent do you think S1-15 – Social security eligibility coverage

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: The required KPI would lead to tremendous manual effort, Information to be collected manually as global information cannot be derived from a customized IT system

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

This non-proportionate disclosure requirement has no basis in the draft directive which does not even mention the term “social security” once.
In general, companies are not - and should not be - in possession of data concerning social security eligibility coverage of the workforce since social security in many states is depending on individual interaction between the worker and the social security system as well as tax system, etc.

A/C/D Compliance with national regulations has to be ensured. Different legal grounds may influence comparability and assurance. Thus it is unclear, whether a company has the legal basis for collecting information on non-employees and how an external assurance could be achieved for data provided by external parties. In addition, significant manual effort is to be expected as external data cannot be derived from the company’s own IT system.

DR S1-16 – Pay gap between women and men

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent of any gap in the pay between women and men amongst the undertaking’s employees.

Q88: Please, rate to what extent do you think S1-16 – Pay gap between women and men

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: Manual effort, Information to be collected manually as global information cannot be derived from a customized IT system (C/D)

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

Women and men are paid the same by the same employer if they do the same work. This is not just company practice but is already required by law. Companies must already comply with the legal requirements and customs that apply within the national context of their economic activities, reporting on compliance thus would become redundant.

duplication and overlapping reporting obligations would derive under the planned draft pay transparency directive.

Needs to be prioritized for SFDR purposes (namely, the SFDR-relevant data points).

DR S1-17 – Annual total compensation ratio

The undertaking shall disclose the ratio between the compensation of its highest paid individual and the median compensation for its employees.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the level of compensation inequality inside the undertaking, whether wide pay disparities exist and how such disparities have evolved over time.

Q89: Please, rate to what extent do you think S1-17 – Annual total compensation ratio

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: manual effort, Information to be collected manually as global information cannot be derived from a customized IT system

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

A/C/D
We do not consider the compensation indicators to be a meaningful assessment of the fairness of compensation structures. Fair compensation is an important topic, and it includes aspects of internal (distribution) equity and socially acceptable minimum compensation. Compensation in undertakings should be based on objective criteria worldwide that lead to a fair compensation, especially the employee's position, their individual performance and company's success should be reflected. Furthermore, it is important to us that minimum standards for compensation arecomplied with and, where possible, exceeded. Different legal grounds may influence comparability and assurance.

The remuneration of the highest-earning employee cannot be justified under data protection law. In most cases, the remuneration can be traced back to a specific person, especially the highest paid individual, in the company and thus constitutes personal data. The processing of personal data is subject to legal requirements under the General Data Protection Regulation. A legal basis for the processing and disclosure of the remuneration is not provided for in the GDPR.

Needs to be prioritized for SFDR purposes (namely, the SFDR-relevant data points).

DR S1-18 – Discrimination incidents related to equal opportunities

The undertaking shall disclose the number of work-related discrimination incidents, any corrective actions taken during the reporting period and any related material fines or sanctions.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the incidence of work-related discrimination, including sexual and non-sexual harassment, the corrective actions that the undertaking has taken for its own workforce, and any related material fines and sanctions.

Q90: Please, rate to what extent do you think S1-18 – Discrimination incidents related to equal opportunities

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: very detailed information, focus on reporting on substantiated complaints

For part G: Link to equivalent GRI indicator missing in Basis for Conclusion
As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

A: (public) interpretation of this indicator to be elaborated. Are many reported cases a good sign because it shows that a functioning grievance mechanism is in place or it this a bad sign because it shows that many cases occur in an undertaking. This may influence the comparability of the indicator. To be combined with S1-21 and S1-25 to provide a holistic overview on how undertaking handles grievances, complaints and cases.

This disclosure obligation would cause a considerable amount of additional, excessive burden for companies, which cannot be justified against the background of the existing legal protection of the anti-discrimination directives. The right way to achieve more diversity and protection against discrimination is therefore education and awareness-raising. Coercive measures and disclosure obligations do not necessarily help in that regard.

Needs to be prioritized for SFDR purposes (namely, the SFDR-relevant data points).

DR S1-19 – Employment of persons with disabilities

The undertaking shall disclose the percentage of persons with disabilities amongst its own workforce.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which persons with disabilities are included in an undertaking’s workforce, and its composition by gender.

Q91: Please, rate to what extent do you think S1-19 – Employment of persons with disabilities

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: On a global scale, very different definitions are used and cultural handling is also very diverse. “information should be included on the impact of different legal definitions of persons with disabilities in the different countries in which the undertaking has operations”, in our opinion, this approach would not create a reliable and comparable KPI.(C/D)

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

A: Key of the sustainability matter is to ensure nondiscrimination and inclusion not the exact HC reporting, same as for other minorities. Why should undertakings report about the national differences that would need to be combined in the HC reporting of this matter.

Diverse national legislation including differences of definitions across the EU and especially at a global level and beyond make fulfilling this requirement quasi-impossible. On top of it, requiring employees this kind of personal information is often times prohibited by law and an invasion of privacy. When it comes to different definitions at a national level, the application guidances to collect data based on different national levels and to aggregate these different KPIs to one global KPIs would lead to a global KPI without any validity.
Often the employment of people with disabilities does not fail because of a lacking will of employers. Local employment agencies often cannot suggest a matching unemployed person with disabilities in the area.

DR S1-20 – Differences in the provision of benefit to employees with different employment contract types

The undertaking shall disclose information on benefits which are standard for full-time permanent employees but are not provided to employees with temporary, part-time and non-guaranteed hour contracts. The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which certain employees (those with temporary, part-time and/or non-guaranteed hour contracts) do not receive the same benefits as full-time, permanent employees.

Q92: Please, rate to what extent do you think S1-20 – Differences in the provision of benefits to employees with different employment contract types

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Fort part E: for large undertakings (> ~100.000 employees), threshold for reporting should be adjusted ~ 1000/5000 employees per country, or breakdown per region.

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

A/C/D. in some constellations, differences in the provisions would be reasonable such as long-term targeted insurance. Compliance with national regulations to be ensured. Different legal grounds may influence comparability and assurance.
There is no basis for it within the framework of the draft CSRD to require specific information on specific business arrangements. Generally contractual arrangements by companies are regulated within the scope of possibilities provided by national civil law or special social security legislation shaped by the national legislators according to domestic customs and practices

3C. Adequacy of Disclosure Requirements – Social standards (3/4)

DR S1-21 – Grievances and complaints related to other work-related rights

The undertaking shall state the number of grievances and complaints received and resolved relating to workers' other work-related rights.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the undertaking's grievance mechanism or channel. This is the mechanism or channel through which those workers whose other work-related rights are impacted by the undertaking are able to lodge a concern or complaint, and that can provide access to remedy by resolving those complaints. Furthermore, it is to provide an understanding of the number of complaints raised and resolved at National Contact Points for OECD Multinationals.

Q93: Please, rate to what extent do you think S1-21 – Grievances and complaints related to other work-related rights

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: very detailed information, focus on reporting on substantiated complaints (A)

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

General: To be combined with S1-18 and S1-25 in order to provide a holistic overview on how undertaking handles grievances, complaints and cases
The pure number of grievances, allegations, internal investigations, or pending legal proceedings is not indicative when it comes to defining the overall performance of a company with regard to adhering to social standards. High numbers may generally be interpreted as an indication of poor practices, despite the fact that it is in many cases a result of a culture that encourages employees and others to speak up without fear of retaliation. It is therefore important to limit the disclosure requirement to well-defined, substantial concerns.

There is no need to burden companies excessively to report on information such as complaints raised to and resolved through NCP for the OECD Multnational Enterprised that could be collected elsewhere; that would be a redundant, clerical exercise.

DR S1-22 – Collective bargaining coverage

The undertaking shall disclose information on the extent to which the working conditions and terms of employment of its own workforce are determined or influenced by collective bargaining agreements.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the importance of collective bargaining agreements for its own workforce.

Q94: Please, rate to what extent do you think S1-22 – Collective bargaining coverage

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: for large undertakings (> ~100.000 employees), threshold for reporting should be adjusted ~ 1000 employees per country, or breakdown per region. Significant manual effort to be expected as external data cannot be derived from the company's own IT system.

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

A/C/D Key of the sustainability matter is to establish good industrial relations not the exact coverage reporting. How to estimate information on non-employees? Should agencies be interviewed about their handling? How is this to be ensured? Limited level of assurance. Information to be collected manually as information cannot be derived from a customized IT system
The threshold for "significant employment" in a particular country (i.e. at least 50 employees) is too low causing disproportionate burden for employers engaged in cross-border and international activities, likely to disincentivise such engagements and limiting the internal market.

Companies are already compliant with the legal requirements and customs that apply within the national context of their economic activities, reporting on compliance thus would become redundant.

DR S1-23 – Work stoppages

The undertaking shall disclose the extent of major work stoppages (including both strikes and lockouts) because of disputes between the undertaking and its own workforce.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent of worker disputes and their impact on the undertaking's operations.

Q95: Please, rate to what extent do you think S1-23 – Work stoppages

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: for large undertakings, threshold for reporting a work stoppage should be adjusted back to 1000 /5000. The information to be collected manually as information cannot be derived from a customized IT system

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

A/C/D. Key of the sustainability matter is to establish good industrial relations which is not measurable with the exact work stoppage reporting. Different legal grounds may influence comparability and assurance.

There is no evident basis for this disclosure requirement within the draft CSRD, we therefore consider this disclosure requirement as non-proportionate. Reporting the required information will in no way help implementing the legislative act.

Regarding the information demanded such as in para. 107 b), companies in some countries including Germany are not allowed to hold on to the data at all. It is a matter of internal affairs, and the information may be business sensitive.

DR S1-24 – Social dialogue

The undertaking shall disclose the extent and functioning of social dialogue with workers' representatives of its own workforce.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the institutional prerequisites for social dialogue in the undertaking exist and the extent to which rights to social dialogue are respected in the undertaking's operations, particularly for those which are located in the European Economic Area (EEA).

Q96: Please, rate to what extent do you think S1-24 – Social dialogue

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: for large undertakings (> ~100.000 employees), threshold for reporting should be adjusted ~ 1000 /5000 employees per country, or breakdown per region. Significant manual effort to be expected as external data cannot be derived from the company's own IT system.

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

A/C/D Key of the sustainability matter is to ensure respective policy regulations and ensure their endorsement in the governance setup not the exact percentage reporting or details on all notice periods. Different legal grounds may influence comparability and assurance.
Diverse national legislation including differences in definitions, in particular of the concept of social partnership, across the EU and beyond make fulfilling this requirement quasi-impossible. In Germany, tariff autonomy is a constitutional right allowing for strong social partners. Preferential treatment of collective bargaining would also contradict with the constitutionally guaranteed negative freedom of association.

According to AG 164 this disclosure requirement requests information on the extent of collective representation of own workforce through trade unions and works councils at workplace. Employers in some countries are however not allowed to ask employees this type of personal questions. Data collection in this regard would be scarcely possible and data would become insignificant.

The threshold for "significant employment" in a particular country (i.e. at least 50 employees) is too low causing disproportionate burden for employers engaged in cross-border and international activities.

DR S1-25 – Identified cases of severe human rights issues and incidents

The undertaking shall disclose the number of severe human rights issues and incidents connected to own workforce which occurred in the reporting year.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which severe human rights issues (e.g. forced labour, human trafficking or child labour) and incidents affecting the undertaking's own workforce through its activities or business relationships occurred in the reporting year.

Q97: Please, rate to what extent do you think S1-25 – Identified cases of severe human rights issues and incidents

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

C/D practical distinction of what is severe or not to be elaborated to ensure comparability, maybe with examples.
To be combined with S1-18 and S1-21 in order to provide a holistic overview on how undertaking handles grievances, complaints and cases

Many companies already have due diligence systems in place, which are based on the UN Guiding Principles.

The current draft KPI does not provide a sufficient definition of 'severe human rights issues and incidents'. AG 167 does eg. refer to Media Allegations which is not material in terms of determining substantial and proven human rights incidents. The overall AG contains additional reporting requirements which goes beyond the intention of an application guidance.

Needs to be prioritized for SFDR purposes (namely, the SFDR-relevant data points). However, PAI indicator would not be adequately covered:
- The PAI asks for violations, so it is unclear why EFRAG's SFDR/ESRS table links to policies here. FMPs would need either a disclosure on breaches of UNGC/OECD as a whole or on all the single pillars. Instead of disclosing this information in different sections and not systematically across all pillars of UNGC /OECD, It would be better to make this an own disclosure section/point to stress the importance.

DR S1-26 – Privacy at work

The undertaking shall disclose the right to privacy at work for its own workforce.
The principle underlying this Disclosure Requirement is to provide an understanding of an undertaking's measures on personal data protection concerning its workforce and the nature and extent of worker surveillance that is conducted.

Q98: Please, rate to what extent do you think S1-26 – Privacy at work

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part G: As the ISSB does not yet cover this topic, no alignment is possible. We suggest to align both workplans to allow for co-construction and global alignment as much as possible and from the beginning.

A/C/D Compliance with national regulations is already to be ensured. Different legal grounds may influence comparability and assurance. Information on workforce surveillance is difficult to define and identify (percentage) as well as information on number of employee handling sensitive data. Systems are classified and protected accordingly. Employees are trained on data protection and information security; the number is not that relevant. Sensitive data is classified and protected accordingly.
Since the topic of “privacy” is not covered by the current version of the CSRD, it might make sense to rephrase the KPI and instead to focus on data protection. The European GDPR already requires companies to report on violations, thus EFRAG and the Commission should ensure the alignment between these two regulations.

DR S2-1 - Policies related to value chain workers

The undertaking shall state its policies that address the management of its material impacts on value chain workers, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on value chain workers specifically, as well as policies that cover material risks or opportunities related to value chain workers, or policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the value chain workers whose interests they address, are made aware of their existence and content.

Q99: Please, rate to what extent do you think S2-1 – Policies related to value chain workers

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Even though the value chain is clearly included in the standardization of the sustainability reporting by the CSRD, it does not require any specific focus on the workers in the value chain. Therefore, the usefulness of a dedicated social standard is not demonstrated.

If there are some issues on the workers in the value chain (working conditions, accesses to equal opportunities, other human rights) they would be captured through the principal adverse impact or principal risk analysis. PAI regarding other human rights shall be dealt within the due diligences' policies. A dedicated standard on workers in the value chain would therefore create undue overlaps.

We consider that the value chain shall be considered, depending on the size and activity of the undertaking, in the corresponding DR, in ESRS 2, notably 2-GR3, 2-SBM2, 3 and 4, 2 GOV 5, and particularly, as stated by the CSRD, in the analysis of the principal actual or potential adverse impacts connected with the undertaking's own operations and with its value chain. The PAI regarding the value chain may concern the social aspects for some undertakings but for others, it may relate to environmental or governance topics. That's why it should be a transverse analysis.

DR S2-2 - Processes for engaging with value chain workers about impacts

The undertaking shall explain its general processes for engaging with value chain workers and their representatives about actual and potential material impacts on them.
The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages, as part of its ongoing due diligence process, with value chain workers and related trade union and worker representatives about material actual and potential positive and/or negative impacts that do or may affect them, and whether and how perspectives of value chain workers are taken into account in the decision-making processes of the undertaking.

Q100: Please, rate to what extent do you think S2-2 – Processes for engaging with value chain workers about impacts

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> Even though the value chain is clearly included in the standardization of the sustainability reporting by the CSRD, it does not require any specific focus on the workers in the value chain. Therefore, the usefulness of a dedicated social standard is not demonstrated.
>
> Regarding the S2.2 DR, we consider that any material issues on the workers in the value chain (working conditions, accesses to equal opportunities, other human rights) shall be captured through the principal adverse impact or principal risk analysis. If any potential or actual material impact or risk is linked with the value chain, an adequate process to engage with workers in the value chain or other stakeholders from the value chain is needed. Particularly regarding other human rights, it shall be dealt within the due diligences' policies, through the governance standards. For that reason, there is no need to specifically address this point in a dedicated DR.

DR S2-3 – Channels for value chain workers to raise concerns

The undertaking shall describe:

1. the channels it has in place for value chain workers to raise their concerns or needs directly with the undertaking; and/or
2. the processes through which the undertaking supports the availability of such channels through the workplace of value chain workers; and
3. how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which value chain workers can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of grievance mechanisms in the workplace of value chain workers, how there is follow up with these workers regarding the issues raised and the effectiveness of these channels.

Q101: Please, rate to what extent do you think S2-3 – Channels for value chain workers to raise concerns

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> Even though the value chain is clearly included in the standardization of the sustainability reporting by the CSRD, it does not require any specific focus on the workers in the value chain. Therefore, the usefulness of a dedicated social standard is not demonstrated.
>
> Regarding the S3.2 DR, we consider that any material issues regarding the value chain is already captured through the other standards, especially ESRS 2 and ESRS G2 and specifically through the principal adverse impact or principal risk analyses. Channels to raise concerns shall be activated for dedicated problematics such as forced labor, children labor, anti-corruption, if relevant considering the impact and risk analysis.

DR S2-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The undertaking shall explain the outcome-oriented targets it may have related to:

1. reducing negative impacts on value chain workers; and/or
2. advancing positive impacts on value chain workers; and/or
3. managing material risks and opportunities related to value chain workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure its progress in addressing negative impacts, and/or advancing positive impacts, on value chain workers, and/or in managing material risks and opportunities related to value chain workers.

Q102: Please, rate to what extent do you think S2-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Even though the value chain is clearly included in the standardization of the sustainability reporting by the CSRD, it does not require any specific focus on the workers in the value chain. Therefore, the usefulness of a dedicated social standard is not demonstrated.

If there are some issues on the workers in the value chain (working conditions, accesses to equal opportunities, other human rights) they would be captured through the principal adverse impact or principal risk analysis. Particularly regarding other human rights, it shall be dealt within the due diligences' policies, through the governance standards. A dedicated standard on workers in the value chain would therefore create undue overlaps.

We consider that the value chain shall be considered, depending on the size and activity of the undertaking, in the corresponding DR, in ESRS 2, notably 2-GR3, 2-SBM2, 3 and 4, 2 GOV 5, and particularly, as stated by the CSRD, in the analysis of the principal actual or potential adverse impacts connected with the undertaking's own operations and with its value chain. The PAI regarding the value chain may concern the social aspects for some undertakings but for others, it may relate to environmental or governance topics. That's why it should be a transverse analysis. Any targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities linked to the value chain would be adequately covered by the general requirements regarding targets in ESRS 2.

3C. Adequacy of Disclosure Requirements – Social standards (4/4)

DR S2-5 - Taking action on material impacts on value chain workers and effectiveness of those actions

The undertaking shall explain:

1. what action is planned or underway to prevent, mitigate or remedy material negative impacts on value chain workers that are connected to its operations, products or services;
2. any additional initiatives or processes it has in place with the primary purpose of delivering positive impacts for value chain workers; and
3. how it assesses the effectiveness of these actions, programmes and processes in delivering intended outcomes for value chain workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the types of process, initiative or engagement through which the undertaking (a) works to prevent, mitigate and remedy material impacts on value chain workers, or (b) seeks to achieve positive impacts for value chain

workers, recognising that in both instances, the ultimate aim is to deliver improved outcomes in workers' lives.

Q103: Please, rate to what extent do you think S2-5 – Taking action on material impacts on value chain workers and effectiveness of those actions

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Even though the value chain is clearly included in the standardization of the sustainability reporting by the CSRD, it does not require any specific focus on the workers in the value chain. Therefore, the usefulness of a dedicated social standard is not demonstrated.

If there are some issues on the workers in the value chain (working conditions, accesses to equal opportunities, other human rights) they would be captured through the principal adverse impact or principal risk analysis. Particularly regarding other human rights, it shall be dealt within the due diligences' policies, through the gouvernance standards. A dedicated standard on workers in the value chain would therefore create undue overlaps.

We consider that the value chain shall be considered, depending on the size and activity of the undertaking, in the corresponding DR, in ESRS 2, notably 2-GR3, 2-SBM2, 3 and 4, 2 GOV 5, and particularly, as stated by the CSRD, in the analysis of the principal actual or potential adverse impacts connected with the undertaking's own operations and with its value chain. The PAI regarding the value chain may concern the social aspects for some undertakings but for others, it may relate to environmental or governance topics. That's why it should be a transverse analysis.

DR S2-6 - Approaches to mitigating material risks and pursuing material opportunities related to value chain workers

The undertaking shall explain:

1. what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on value chain workers; and
2. what action is planned or underway to pursue material opportunities for the undertaking in relation to value chain workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to workers in its value chain.

Q104: Please, rate to what extent do you think S2-6 – Approaches to mitigating material risks and pursuing material opportunities related to value chain workers

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Even though the value chain is clearly included in the standardization of the sustainability reporting by the CSRD, it does not require any specific focus on the workers in the value chain. Therefore, the usefulness of a dedicated social standard is not demonstrated.

If there are some issues on the workers in the value chain (working conditions, accesses to equal opportunities, other human rights) they would be captured through the principal adverse impact or principal risk analysis. Particularly regarding other human rights, it shall be dealt within the due diligences' policies, through the gouvernance standards. A dedicated standard on workers in the value chain would therefore create undue overlaps.

We consider that the value chain shall be considered, depending on the size and activity of the undertaking, in the corresponding DR, in ESRS 2, notably 2-GR3, 2-SBM2, 3 and 4, 2 GOV 5, and particularly, as stated by the CSRD, in the analysis of the principal actual or potential adverse impacts connected with the undertaking's own operations and with its value chain. The PAI regarding the value chain may concern the social aspects for some undertakings but for others, it may relate to environmental or governance topics. That's why it should be a transverse analysis.

DR S3-1 – Policies related to affected communities

The undertaking shall state its policies that address the management of its material impacts on communities, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on local communities specifically, as well as policies that cover material risks or opportunities related to affected communities, or policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the local communities whose interests they address, are made aware of their existence and content.

Q105: Please, rate to what extent do you think S3-1 – Policies related to affected communities

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Please refer to our answer to Q47

DR S3-2 – Processes for engaging with affected communities about impacts

The undertaking shall explain its general processes for engaging with affected communities and their representatives about actual and potential material impacts on them.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages as part of its ongoing due diligence process with affected communities about material actual and potential positive and/or negative impacts that do or may affect them, and whether and how perspectives of affected communities are taken into account in the decision-making processes of the undertaking.

Q106: Please, rate to what extent do you think S3-2 – Processes for engaging with affected communities about impacts

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Please refer to our answer to Q47

DR S3-3 – Channels for affected communities to raise concerns

The undertaking shall describe:

1. the channels it has in place for affected communities to raise their concerns or needs directly with the undertaking; and/or
2. the processes through which the undertaking supports the availability of such channels by its business relationships; and
3. how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which affected communities can make their concerns and needs known directly to the undertaking, and/or through which the undertaking supports the availability of mechanisms by its business relationships, how there is follow up with these communities regarding the issues raised, and the effectiveness of these channels.

Q107: Please, rate to what extent do you think S3-3 – Channels for affected communities to raise concerns

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Please refer to our answer to Q47

DR S3-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The undertaking shall explain the outcome-oriented targets it may have related to:

1. reducing negative impacts on affected communities; and/or
2. advancing positive impacts on affected communities; and/or
3. managing material risks and opportunities related to affected communities.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure progress in addressing negative impacts, and/or advancing positive impacts, on affected communities.

Q108: Please, rate to what extent do you think S3-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Please refer to our answer to Q47

DR S3-5 – Taking action on material impacts on affected communities and effectiveness of those actions

Q109: Please, rate to what extent do you think S3-5 – Taking action on material impacts on affected communities and effectiveness of those actions

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Please refer to our answer to Q47

DR S3-6 - Approaches to mitigating material risks and pursuing material opportunities related to affected communities

The undertaking shall explain:

1. what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on local communities; and
2. what action is planned or underway to pursue material opportunities for the undertaking in relation to local communities.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to affected communities.

Q110: Please, rate to what extent do you think S3-6 – Approaches to mitigating material risks and pursuing material opportunities related to affected communities

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Please refer to our answer to Q47

DR S4-1 – Policies related to consumers and end-users

The undertaking shall state its policies that address the management of its material impacts of its products and/or services on consumers and end-users, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of impacts on consumers and end-users specifically, as well as policies that cover material risks or opportunities related to consumers and end-users, or policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the consumers and end-users whose interests they address, are made aware of their existence and content.

Q111: Please, rate to what extent do you think S4-1 – Policies related to consumers and end-users

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Please refer to our answer to Q48

DR S4-2 – Processes for engaging with consumers and end-users about impacts

The undertaking shall explain its general processes for engaging with consumers and end-users and their representatives about actual and potential material impacts on them.
The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages as part of its ongoing due diligence process with consumers and end-users about material actual and potential positive and/or negative impacts that do or may affect them, and whether and how perspectives of consumers and end-users are taken into account in the decision-making processes of the undertaking.

Q112: Please, rate to what extent do you think S4-2 – Processes for engaging with consumers and end-users about impacts

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Please refer to our answer to Q48

DR S4-3 – Channels for consumers and end-users to raise concerns

The undertaking shall describe:

1. the channels it has in place for consumers and end-users to raise their concerns/complaints or needs directly with the undertaking; and/or
2. the processes through which the undertaking supports the availability of mechanisms by its business relationships; and
3. how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which consumers and end-users can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of mechanisms by its business relationships, how there is follow up with these consumers and end-users regarding the issues raised, and the effectiveness of these channels.

Q113: Please, rate to what extent do you think S4-3 – Channels for consumers and end-users to raise concerns

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Please refer to our answer to Q48

DR S4-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The undertaking shall explain the outcome-oriented targets it may have related to:

1. reducing negative impacts on consumers and end-users; and/or
2. advancing positive impacts on consumers and end-users; and/or
3. managing material risks and opportunities.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure progress in addressing negative impacts, and/or advancing positive impacts, on consumers and end-users.

Q114: Please, rate to what extent do you think S4-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Please refer to our answer to Q48

DR S4-5 – Taking action on material impacts on consumers and end-users and effectiveness of those actions

The undertaking shall explain:

1. what action is planned or underway to prevent, mitigate or remedy material negative impacts on consumers and end-users who are connected to its operations, products or services;
2. any additional initiatives or processes it has in place with the primary purpose of positively contributing to improved social outcomes for consumers and end-users; and
3. how it assesses the effectiveness of these actions, programmes and processes in contributing to intended outcomes for consumers and end-users.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the types of process, initiative or engagement through which the undertaking:

1. works to prevent, mitigate and remedy material impacts on consumers and end-users, and
2. seeks to achieve positive impacts for consumers and end-users, recognising that in both instances, the ultimate aim is to deliver improved outcomes for consumers’ and end-users' lives.

Q115: Please, rate to what extent do you think S4-5 – Taking action on material impacts on consumers and end-users and effectiveness of those actions

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Please refer to our answer to Q48

DR S4-6 – Approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users

The undertaking shall explain:

1. what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on consumers and end-users; and
2. what action is planned or underway to pursue material opportunities for the undertaking in relation to consumers and end-users.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to consumers and end-users.

Q116: Please, rate to what extent do you think S4-6 – Approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

Please refer to our answer to Q48

3D. Adequacy of Disclosure Requirements – Governance standards (1 /2)

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

- when sharing comments on a given Disclosure Requirement, and as much as possible, reference to the specific paragraphs being commented on should be included in the written comments,
- in the question asked, for each ESRS, about the alignment with international sustainability standards, these include but are not limited to the IFRS Sustainability Standards and the Global Reporting Initiative Standards. Other relevant international initiatives may be considered by the respondents. When commenting on this particular question, respondents are encouraged to specify which international standards are being referred to.

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

DR G1-1 – Governance structure and composition

The undertaking shall provide information on its governance structure and composition.
The principle to be followed under this Disclosure Requirement is to provide an understanding of the structure and composition of the governance and the distribution of roles and responsibilities throughout the undertaking’s organisation, from its administrative, management and supervisory bodies to its executive and operational levels.

Q117: Please, rate to what extent do you think G1-1 – Governance structure and composition

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: For large (listed) undertakings there are no or only little additional costs by implementing G1-1, as most of the information is already reported. On the other hand, there is no real benefit, as most of the information is already available and would lead to confusion, as it would need to be reported several times. For undertakings out of the Scope of Art. 20 of Directive 2013/34/EU: The costs for reporting are expected to be high, as there is no reporting yet.

For part F: Most of the information covered by G1-1 is already disclosed under the general Corporate Governance-statement. The final text of CSRD has not amended the scope of Art. 20 of Directive 2013/34 /EU. This is a clear decision by the legislator not to oblige companies out of the scope of Art. 20 to report on general corporate governance.

For part G: IFRS S1 refers to governance reporting with regard to sustainability matters. ESRS should be limited to sustainability, too. Otherwise, this would not be in line with the final wording of Art. 29b CSRD, anyway.

G1-1 does not take different board structures (one tier/two tier) into account. It needs to be added, that the different items that need to be disclosed under G1-1 only need to be addressed “if applicable”. For example, the management board cannot include independent members by definition. Para. 14 is designed for the one-tier structure which is inappropriate. It uses the singular form of governance body whereas everywhere else the plural of administrative, management and supervisory bodies is addressed. Application guidance 1 does not help in that respect. Application guidance 2 is inappropriate for the EU as it is not only “some” jurisdictions in the EU with dualistic structure. Also, there are mixed systems. So, COM/2012/0740 reads: “In Europe, different board structures coexist. Depending on the country, listed companies may put in place either a ‘single board’ system (also called ‘monistic’ or ‘unitary board’ system), a two-tier (or ‘dual board’) system or some form of mixed system. The Commission acknowledges the coexistence of these board structures, which are often deeply rooted in the country’s overall economic governance system, and has no intention of challenging or modifying this arrangement.”
For the use of the digital reporting taxonomy different board structures must be reflected in the standard. If not, this may lead to confusion.
The scope of para. 13 is excessive: it is unclear to which extent operational levels need to be disclosed. It would be unreasonable also from the perspective of readers if undertakings need to disclose all operational levels.
Under G1-1 it should be mandatory to clarify, if the chair of the administrative, management and supervisory bodies is also a senior executive in the undertaking as this information is essential for “checks and balances” in the undertaking. As EFRAG refers to having identified “good corporate governance practices”, it is not to be understood why ESRS G1 deviates from such basic issue for checks and balances within the company in the GRI in this respect and only here.
We are critical if all information covered by G1-1 is able to be assured. I.e. independence, significant positions and competencies are sometimes considered differently by the undertakings than by investors due to the lack of a common definition in all Member States and Corporate Governance Codes. Please note that in the presented ESRS G1 companies would have to report in the governance statement the application of the applicable Governance Code being subject to a check by the auditor if the information has been provided and again being subject to limited assurance in the management report. This can lead to different assessments by the undertaking and the auditors.

DR G1-2 – Corporate governance code or policy

The undertaking shall disclose the corporate governance code, policy or practices that determine the function of its administrative, management or supervisory bodies.

The principle to be followed under this Disclosure Requirement is to provide information about any legal or regulatory requirements that mandate and influence the design of the governance structure of the undertaking, together with information on aspects implemented that are over and above any relevant legal or regulatory requirements.

Q118: Please, rate to what extent do you think G1-2 – Corporate governance code or policy

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: For large (listed) undertakings there are no or only little additional cost by implementing G1-2, as most of the information is already reported. On the other hand, there is no real benefit, as most of the information is already available and would lead to confusion, as it would need to be reported several times For non-listed undertakings: The costs for reporting are expected to be high, as there is no reporting yet.

For part F: The disclosure required by G1-2 is already required by Art. 20 para. 1 lit. a) Accounting Directive (Corporate Governance Statement). Please be aware that the repetition of the disclosure requirement in ESRS G1 not only leads to duplication of reporting on Code compliance as cross referencing is not allowed, but also to multiplying reporting as issues like independence, competencies and evaluation are typically covered by Codes. These are even additional reporting issues within G1, so have to be reported three times. There may even be different definitions by EFRAG and Code setters, e.g. on shareholding percentages or tenure that lead to the denial of independence. Could employee representatives, especially from trade unions be regarded independent with respect to the definition used by EFRAG in application guidance 5? Such differences could be due to different market practices, structures or company law. So finally, Code reporting and Standard reporting could differentiate which could lead to confusion of readers! This should be avoided. Companies and investors live with such different approaches to Governance and we do not see a mandate to EFRAG to align such approaches/definitions or extend Art. 20 para. 1 lit. a) to the companies that are not covered, there.

For part G: IFRS S1 refers to governance reporting with regard to sustainability matters. ESRS should be limited to sustainability, too. Otherwise, this would not be in line with the final wording of Art. 29b CSRD, anyway.

The disclosure required by G1-2 may be challenging for non-listed companies. Non-listed companies are usually not subject to a corporate governance code especially designed for them. These undertakings still need to disclose information according to para. 17 (b). As they cannot refer to a code, they would need to report a lot of information under para. 17 (b). The CSRD is now clear in this respect: Art. 20 is not extended beyond listed companies, Art. 19a and 29b refer to corporate governance with regard to sustainability. Within the disclosure due to ESRS 2 also non-listed companies will have to report a lot on general corporate governance in order to give frame to their sustainable corporate governance reporting. So, also from that perspective, G1 should be deleted.

DR G1-3 – Nomination process

The undertaking shall provide information about the nomination and selection processes for its administrative, management and supervisory bodies.

The principle to be followed under this Disclosure Requirement is to provide information about the criteria used for selecting and nominating the members of the undertaking’s administrative, management and supervisory bodies.

Q119: Please, rate to what extent do you think G1-3 – Nomination process

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: For large (listed) undertakings there are no or only little additional cost by implementing G1-3, as most of the information is already reported. On the other hand, there is no real benefit, as most of the information is already available and would lead to confusion, as it would need to be reported several times. For non- listed undertakings: The costs for reporting are expected to be high, as there is no reporting yet.

For par F: The disclosure required by G1-3 is already required by Art. 20 para. 1 lit. a) Accounting Directive (Corporate Governance Statement).

For part G: The information required by G1-3 is already covered by the Corporate Governance Statement. In case that there are no policies or committees, there needs to be clarification or the disclosure requirement needs to be removed.

Several of the criteria that need to be disclosed for the nomination process under para 21 (b) are not applicable: Independence is by nature not applicable for the management board. Usually shareholders are not involved in the nomination and selection of the members of the management board in Germany due to the two-tier structure. Therefore, it should be clarified, that all criteria only need to be reported “if applicable”.

DR G1-4 – Diversity policy

The undertaking shall provide information on the diversity policy applied in relation to its administrative, management and supervisory bodies.

The principle to be followed under this Disclosure Requirement is to provide information about the undertaking’s diversity policy to promote a diversified composition of its administrative, management and supervisory bodies. This shall also include the diversity criteria adopted with the associated rationale on their prioritisation, and the mechanism adopted to foster diversity representation.

Q120: Please, rate to what extent do you think G1-4 – Diversity policy

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: For large (listed) undertakings there are no or only little additional cost by implementing G1-4, as most of the information is already reported. On the other hand, there is no real benefit, as most of the information is already available and would lead to confusion, as it would need to be reported several times. For non-listed undertakings: The costs for reporting are expected to be high, as there is no reporting yet.

For part F: The disclosure required by G1-4 is already required by Art. 20 para. 1 lit. a) Accounting Directive (Corporate Governance Report).

For part G: IFRS S1 refers to governance reporting with regard to sustainability matters. ESRS should be limited to sustainability, too. Otherwise, this would not be in line with the final wording of Art. 29b CSRD, anyway.

The information covered by G1-4 is already covered by the Corporate Governance Statement. Cross referencing is allowed, here. ESRS G1 touches upon the content of Art. 20, but Art. 20 is not mentioned in Art. 29b (1). This means, that EFRAG has no mandate to present a standard to Art. 20. Therefore, G1-4 has to be deleted.
We consider reporting with regard to minority or vulnerable groups as problematic and not aligned with GDPR and antidiscrimination laws.

DR G1-5 – Evaluation process

The undertaking shall describe the process, if any, followed for evaluating the performance of its administrative, management and supervisory bodies in overseeing the management of the undertaking.

The principle to be followed under this Disclosure Requirement is to provide transparency on the process implemented by the undertaking for the evaluation of the performance of its administrative, management and supervisory bodies in supervising the management of the undertaking.

Q121: Please, rate to what extent do you think G1-5 – Evaluation process

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: For large (listed) undertakings there are no or only little additional cost by implementing G1-5, as most of the information is already reported. On the other hand, there is no real benefit, as most of the information is already available and would lead to confusion, as it would need to be reported several times. For non-listed undertakings: The costs for reporting are expected to be high, as there is no reporting yet.

For part F: The disclosure required by G1-5 is already required by Art. 20 para. 1 lit. a) Accounting Directive (Corporate Governance Report).

For part G: IFRS S1 refers to governance reporting with regard to sustainability matters. ESRS should be limited to sustainability, too. Otherwise, this would not be in line with the final wording of Art. 29b CSRD, anyway.

The information covered by G1-5 is already reported in the Corporate Governance Statement.

DR G1-6 – Remuneration policy

The undertaking shall describe the policy used for the remuneration of its administrative, management and supervisory bodies.

The principle to be followed under this Disclosure Requirement is to provide information about the undertaking’s policy for the remuneration of the administrative, management and supervisory bodies.

Q122: Please, rate to what extent do you think G1-6 – Remuneration policy

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: For large (listed) undertakings there are no or only little additional cost by implementing G1-6, as most of the information is already reported. On the other hand, there is no real benefit, as most of the information is already available and would lead to confusion, as it would need to be reported several times. For non-listed undertakings: The costs for reporting are expected to be high, as there is no reporting yet.

For part F: The disclosure required by G1-6 is already required by Art. 9a and b SRD II (remuneration system and report). The SRD II uses different definitions, this might lead to confusion and more expenses for the undertakings. The final version of the CSRD reads: Art. 19a (2) (da) “information about the existence of incentive schemes offered to members of the administrative, management and supervisory bodies which are linked to sustainability matters”; The directive uses the word “existence”. In our opinion, companies could just state if there are such schemes and for further information point out to the remuneration system and report. This wording has probably finally been used in order not to interfere with SHRD II. For the same reason para: 64 (b) is not appropriate as other employees are not mentioned in Art. 19a (2) (da).
Also, ESRS G1-DR6/the disclosure of the remuneration policy is already required by the Solvency II Directive. In this context, Article 258(1)(l) of the Delegated Regulation requires all undertakings to adopt remuneration policies. Article 275 of the Delegated Regulation defines the remuneration principles undertakings have to comply with when establishing and applying their remuneration policies. Articles 294 and 308 of the Delegated Regulation set out the information on remuneration practices that should be reported to the supervisory authorities and published in the SFCR. As such, there is no need for a disclosure requirement on the remuneration policy for undertakings in scope of either or both of those regulations. As such, cross-referencing must be possible, at the minimum, or the DR should be removed, which would be the preferred option.

For part G: IFRS S1 refers to governance reporting with regard to sustainability matters. ESRS should be limited to sustainability, too. Otherwise, this would not be in line with the final wording of Art. 29b CSRD, anyway.

The information covered by G1-6 is already reported in the remuneration system and report.

DR G1-7 – Risk management processes

The undertaking shall provide information on its risk management processes, with regards to risk arising for the undertaking and for the stakeholders.

The principle to be followed under this Disclosure Requirement is to inform about the undertaking's risk management processes. This includes an understanding of the supervision and monitoring of risk management by the undertaking’s administrative, management and supervisory bodies.

Q123: Please, rate to what extent do you think G1-7 – Risk management processes

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: For large (listed) undertakings there are no or only little additional cost by implementing G1-7, as most of the information is already reported. On the other hand, there is no real benefit, as most of the information is already available and would lead to confusion, as it would need to be reported several times. For nonlisted undertakings: The costs for reporting are expected to be high, as there is no reporting yet.

For part F: Art. 29b of CSRD has been changed to reporting with regard to sustainability reporting process. This is covered by ESRS 2 already and obsolete, here.

For part G: IFRS S1 refers to governance reporting with regard to sustainability matters. ESRS should be limited to sustainability, too. Otherwise, this would not be in line with the final wording of Art. 29b CSRD, anyway.

We regard the requirements of G1-7 as excessive for several reasons:
Unless there is no limitation i.e. materiality perspective, the reporting would have to cover any potential risk for the company.
The inside out perspective would exceed the common practice under DRS 20 and under CSRD, unless it is material in both specified. Furthermor,e the time horizon is not specified. It would be too excessive to require undertakings to disclose business-sensitive opportunities (see AG 16).

From our perspective, underlying assumptions for identifying both categories of risks differ with regard to timeframe (short-medium vs long-term), in the ability of quantification (as sustainability risks are mainly difficult to assess in terms of Euros) and with regard to perspectives to be considered (as sustainability risks consider also stakeholder perspectives not linked with financial risks). It would be meaningful with regard to integration of financial and nonfinancial reporting, and also to comparability among company’s reportings) if the same reporting obligations apply to financial and nonfinancial reporting .

DR G1-8 – Internal control processes

The undertaking shall provide information on its internal control processes, including in relation to the sustainability reporting process.

The principle to be followed under this Disclosure Requirement is to inform about the aspects related to the governance factors that affect the undertaking's internal control processes, including in relation to sustainability reporting. This also includes an understanding of the supervision and monitoring of those processes by the undertaking’s administrative, management and supervisory bodies.

Q124: Please, rate to what extent do you think G1-8 – Internal control processes

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: For large (listed) undertakings there are no or only little additional cost by implementing G1-8, as most of the information is already reported. On the other hand, there is no real benefit, as most of the information is already available and would lead to confusion, as it would need to be reported several times. For non-listed undertakings: The costs for reporting are expected to be high, as there is no reporting yet.

For part F: Art. 29b of CSRD has been changed to reporting with regard to sustainability reporting process. This is covered by ESRS 2 already and obsolete, here.

For part G: IFRS S1 refers to governance reporting with regard to sustainability matters. ESRS should be limited to sustainability, too. Otherwise, this would not be in line with the final wording of Art. 29b CSRD, anyway.

The common practice in the Annual Report is to describe the internal control system (ICS) over financial reporting.
Describing ICS over and beyond sustainability reporting would extend scope significantly, in addition to notes on indicators in sustainability reporting. For ESG-KPIs relevant for corporate steering, internal control systems and respective assurance levels (“reasonable”) are established at the same level as required for financial KPIs relevant for corporate steering. Nevertheless, this should not apply to all material ESG-KPIs, since there is a clear distinction between material ESG-KPIs and ESG-KPIs relevant for corporate steering.

DR G1-9 – Composition of the administrative, management and supervisory bodies

The undertaking shall provide information about the composition of its administrative, supervisory and management bodies.

The principle to be followed under this Disclosure Requirement is to provide information about the diversity of the members of its administrative, management and supervisory bodies and committees.

Q125: Please, rate to what extent do you think G1-9 – Composition of the administrative, management and supervisory

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: For large (listed) undertakings there are no or only little additional cost by implementing G1-9, as most of the information is already reported. On the other hand there is no real benefit, as most of the information is already available and would lead to confusion, as it would need to be reported several times. For non-listed undertakings: The costs for reporting are expected to be high, as there is no reporting yet.

For part F: IFRS S1 refers to governance reporting with regard to sustainability matters. ESRS should be limited to sustainability, too. Otherwise, this would not be in line with the final wording of Art. 29b CSRD, anyway.

Needs to be prioritized for SFDR purposes (the SFDR-relevant data points). However, there is an aggregation/consolidation issue with the different board structures, namely in case of two-tier systems. Draft G1 only includes a note that both figures should be disclosed in that case, not how to calculate a comparable number for aggregation on portfolio level (AG 2: “In some jurisdictions, governance systems consist of two tiers, where supervision and management are separated or where local law provides for a supervisory body drawn from non-executives to oversee an executive management body. In such cases, both tiers are to be covered in the disclosure of the undertaking's governance structure.")

The information covered by G1-9 is already covered by the common reporting requirements and the Corporate Governance Statement.
While we consider reporting of diversity indicators as problematic and not aligned with GDPR and antidiscrimination laws, nationality could be added as diversity indicator.

DR G1-10 – Meetings and attendance rate

The undertaking shall provide information about the number of meetings and the attendance rate for its administrative, management and supervisory bodies and committees.

The principle to be followed under this Disclosure Requirement is to provide information about the rate of participation in meetings of the members of the administrative, management and supervisory bodies and committees.

Q126: Please, rate to what extent do you think G1-10 – Composition of the administrative, management and supervisory bodies and committees

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: For large (listed) undertakings there are no or only little additional cost by implementing G1-10, as most of the information is already reported. On the other hand there is no real benefit, as most of the information is already available and would lead to confusion, as it would need to be reported several times. For (not listed) undertakings: The costs for reporting are expected to be high, as there is no reporting yet.

For part G: IFRS S1 refers to governance reporting with regard to sustainability matters. ESRS should be limited to sustainability, too. Otherwise, this would not be in line with the final wording of Art. 29b CSRD, anyway.

Disclosure regarding the Supervisory Board is already best practice and a requirement of Corporate Governance Codes. We see the disclosure regarding the Board of Management as excessive and critical.

DR G2-1– Business conduct culture

The undertaking shall disclose its initiatives to establish, develop and promote a business conduct culture.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the administrative, management and supervisory bodies are involved in forming, monitoring, promoting and assessing the business conduct culture.

Q127: Please, rate to what extent do you think G2-1 – Business conduct culture

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E: P.16: Evaluation of „outcome“ of strategy to implement business conduct, how to make this quantifiable needs guidance. We consider this not as priority topic, therefore suggestion to limit reporting to high-level information in order to not overburden reporting efforts within companies.
>
> We believe the outcome of this reporting will not comparable and unsuitable for digital reporting as a text-only disclosure for digitization.

DR G2-2 – Policies and targets on business conduct

The undertaking shall provide information about its policies with respect to business conduct matters.

The principle to be followed under this disclosure requirement is to provide an understanding of the undertaking’s ability (i) to mitigate any negative impacts and maximise positive impacts related to business conduct throughout its value chain, and (ii) to monitor and manage the related risks.

Q128: Please, rate to what extent do you think G2-2 – Policies and targets on business conduct

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: Details on the training concept (p.20 g) would lead to unnecessary granularity. We suggest to limit reporting to a general approach of a company. It also does not provide relevant information. Which is better - three short trainings or one long one? New employees vs. existing? Disclosure would either be very granular or meaningless.

For part F: p.20 (f): The requested disclosures of “associated incidents” might contain sensitive information. We therefore suggest to limit a reporting to high level, not giving details.

Due to numerous shifts in the course of drafting, it is not always clear what individual paragraphs refer to. For example, what does "each of the matters mentioned above" in p. 20 refer to, or "associated incidents" in p.20(f).
Regarding p.20(e): We believe this to be obsolete as no company would state here that it has no commitment to resolve irregularities quickly. Even if civil society likes such formulations, they are of no use and can be deleted.
To be prioritized for SFDR purposes (the SFDR-relevant data points).

3D. Adequacy of Disclosure Requirements – Governance standards (2 /2)

DR G2-3 – Prevention and detection of corruption and bribery

The undertaking shall provide information about its system to prevent and detect, investigate, and respond to allegations or incidents relating to corruption and bribery.

The principle to be followed under this disclosure requirement is to provide transparency on the key procedures of the undertaking to prevent and detect, investigate and respond to corruption or bribery-related incidents or allegations.

Q129: Please, rate to what extent do you think G2-3 – Prevention and detection of corruption and bribery

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: The requested disclosures of preventive measures might contain sensitive information and could therefore lead to a higher degree of vulnerability. We therefore suggest to limit a reporting to high level, not giving details.
Additionally, the requested disclosures (e.g. number of incidents from whistleblowing channels, internal investigations) are neither easily to evaluate for a huge, international company nor granular reporting would add value to stakeholders.

We are particularly critical of p.24c. Reporting should focus on facts, not conjecture and suspicion.
P.24e: Like all process descriptions, adds little to no value, is not comparable, and should be deleted.

DR G2-4 – Anti-competitive behaviour prevention and detection

The undertaking shall provide information about its system to prevent and detect, investigate, and respond to allegations or incidents relating to anti-competitive behaviour.

The principle to be followed under this disclosure requirement is to provide transparency on the key procedures of the undertaking to prevent and detect, investigate and respond to allegations or incidents of anti-competitive behaviour.

Q130: Please, rate to what extent do you think G2-4 – Anti-competitive behaviour prevention and detection

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E: The requested disclosures should be limited to report on key / high-level measures, as these information might contain sensitive information.
> Additionally, the requested disclosures (e.g. number of incidents from whistleblowing channels, internal investigations) are neither easily to evaluate for a huge, international company nor granular reporting would add value to stakeholders.

DR G2-5 – Anti-corruption and anti-bribery training

The undertaking shall provide information about any anti-corruption and anti-bribery training programmes offered.

The principle to be followed under this disclosure requirement is to provide an understanding of the undertaking's training and educational initiatives to develop and maintain awareness related to anti-corruption or anti-bribery and business conduct within the undertaking as well as in the value chain.

Q131: Please, rate to what extent do you think G2-5 – Anti-corruption and anti-bribery training

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: The granularity of this disclosure requirement exceeds by far any cost/benefit assessment as the granularity of information is too deep for any huge company (data like staff or percentage of person are not collected on consolidated level, establishment of processes would require massive effort). Additionally, we question added value for stakeholders for information like to members of staff and management information programmes are shared with. A general description on company's approach and strategy on training should be sufficient.

We doubt whether p.32e can be verified.
P.33 is unclear, this is not about policies. Should it be about training, it is unfeasible.
P.34: We think this is obsolete. In general companies do provide their staff with this kind of information. Here a disclosure requirement is not necessary.
P.35: All optional disclosures should be deleted without exception. If you want to do more, you can do it without specifications.

DR G2-6 – Corruption or bribery events

The undertaking shall provide information on legal proceedings related to corruption or bribery during the reporting period.

The principle to be followed under this disclosure requirement is to provide transparency on legal proceedings relating to corruption or bribery incidents during the reporting period and the related outcomes.

Q132: Please, rate to what extent do you think G2-6 – Corruption or bribery events

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: The requested disclosures are way too granular and would create a massive internal reporting effort. Information could contain sensitive information.

Enormous efforts would be needed to cover e.g. all contracts. A clarification is necessary that only material contracts have to be covered.

These disclosure requirements are too granular. Partly this is confidential information that may affect companies' position in legal proceedings. There are already extensive disclosure requirements on legal proceedings in financial reporting, and for good reasons with an exemption clause for confidential information.
Ultimately, these proposals represent a carve-in and call into question the quality of financial reporting, damaging the international credibility of IFRS. If one believes that the disclosure requirements in financial reporting are inadequate, the changes should be made there.
To be prioritized for SFDR purposes (the SFDR-relevant data points).

DR G2-7 – Anti-competitive behaviour events

The undertaking shall provide information on any publicly announced investigation into or litigation concerning possible anti-competitive behaviour it is facing during the reporting period.

The principle to be followed under this disclosure requirement is to provide transparency on publicly announced investigations into or litigation concerning possible anti-competitive behaviour of the undertaking that are ongoing during the reporting period.

Q133: Please, rate to what extent do you think G2-7 – Anti-competitive behaviour events

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

> For part E: Requested disclosures should be limited to completed investigations and final decisions of competition authorities that have not been challenged in court - any company is innocent until proven guilty! This should also apply to court proceedings where third parties make allegations.
> Disclosures should then be limited to key information of the outcome of the proceedings without details as there is no added value for stakeholders.

DR G2-8 – Beneficial ownership

The undertaking shall provide information about its beneficial owners (as defined in article 3(6) of Directive (EU) 2015/849) and control structure.

The principle to be followed under this disclosure requirement is to provide transparency on the individuals who ultimately own or control the undertaking’s organisational and control structure, including beneficial owners.

Q134: Please, rate to what extent do you think G2-8 – Beneficial ownership

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

We suggest to delete G2-8. The inclusion of the beneficial owner in ESRS meets with serious concerns. Firstly, there are doubts that the fight against money laundering and terrorist financing is covered by the regulatory content of the CSRD at all. In any case, there is no convincing justification that the person of the beneficial owner is related to the sustainability of a company in a way that could justify its mention. Secondly, it imposes a considerable additional burden on companies that is not necessary. All EU-based companies are already subject to the anti-money laundering and counter-terrorist financing legal framework. Accordingly, they have already reported their beneficial owners in the national transparency registers. Inconsistencies between the transparency register and the sustainability report would arise if there is a change in the identity of the beneficial owner during the year. In this case, a discrepancy report would be sent by the transparency register to the company, together with a request to rectify the alleged discrepancy. Thirdly, there are massive concerns about the compatibility of sustainability reporting and data protection. The European Data Protection Supervisor had already raised massive concerns about the legality of transparency registers. At that time, the issue was public access to the transparency register. Now to require public reporting of this sensitive data goes considerably beyond the transparency registers. Public reporting is incompatible with the principle of proportionality and poses significant and unnecessary risks to individuals' right to privacy and data protection.

DR G2-9 – Political engagement and lobbying activities

The undertaking shall provide information on its political contributions and lobbying or advocacy activities.

The principle to be followed under this disclosure requirement is to provide transparency on the types, purpose and cost of political contributions and lobbying activities of the undertaking during the reporting period.

Q135: Please, rate to what extent do you think G2-9 – Political engagement and lobbying activities

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: This disclosure require is much too granular. Numerous terms are not defined accurately enough which will lead to divergence in application. Cost-benefit not given, as extremely time-consuming preparation. For widely branched international groups the expense of setting-up an adequate groupwide information collection will be remarkably intense.

Referring to A., more differentiation is needed for counting contributions to associations. Collecting data group-/worldwide needs more precise definition which type of associations and to what extent their expenses are in scope. Engagement for public welfare, industry interest, staff situation and company concern are often combined there; therefore counting every political contribution for an association may be misleading in public perception, as well as double-counting.
Referring to I., data may differ from obligatory published data locally (as e.g. in German Lobbyregister) and in European Transparency register, as definitions and scope are open or different. This will lead to either imprecise data or threefold non coherent data irritating the public. Therefore, it should be ensured that data used for reporting is comparable. This could be achieved, for example, by relying on data already available for other reporting at European level, such as data provided for the European Transparency Register.
The differences between contributions, lobbying and advocacy are not clear.
In addition, it is unclear if information refer to bodies and executives of the reporting company, or to all bodies and executives within branched groups.

DR G2-10 – Payment practices

The undertaking shall provide information on the payment practices to support transparency about these practices given the importance of timely cash flows to business partners.

The principle to be followed under this disclosure requirement is to provide insights on the contractual payment terms and the average actual payments.

Q136: Please, rate to what extent do you think G2-10 – Payment practices

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

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers
For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately
For part G, please explain how you think further alignment could be reached

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

For part E: The requested disclosure should be kept by describing the general approach. Details like average time until payment are not evaluated, “standard contractual terms” might contain sensitive information with business confidentiality. Additionally, cost/benefit would not equalize.
The current proposals do also not yet address the final CSRD text which puts a clear focus on late payments to SMEs, not late payments generally.

Payment delays complicate the financial management of undertakings, especially SMEs, who rely on predictable flows of cash to operate. According to the relevant EU legislation (Directive 2011/7/EU) a payment is late when the creditor has not received the funds at the expiry of the period negotiated in the contract. And yet, even payments performed within the contractually negotiated period can hide unfair payment practices. Very often businesses accept payment terms longer than they are comfortable with, as such terms may reflect the one party’s power compared to the other, such as by virtue of its size or brand.
The requested disclosure should be kept by describing the general approach.
p.53a:The average time of payment does not reflect the fact that companies delay single payments due to good reason as they might have discussion on warranty for defects. However, this will influence the average time of payment.

Payment delays complicate the financial management of undertakings, especially SMEs[1], who rely on predictable flows of cash to operate. According to the relevant EU legislation (Directive 2011/7/EU) a payment is late when the creditor has not received the funds at the expiry of the period negotiated in the contract. And yet, even payments performed within the contractually negotiated period can hide unfair payment practices. Very often businesses accept payment terms longer than they are comfortable with[2], as such terms may reflect the one party’s power compared to the other, such as by virtue of its size or brand.

[1] SMEs (Small and Medium-sized enterprises) are defined according to the Commission Recommendation 2003/361/EC https://ec.europa.eu/growth/smes/sme-definition_en
[2] According to the Intrum European payment Report 2021, on average 49% of businesses in the EU accepted payment terms longer than they are comfortable with out of fear of losing their customers or damaging business relations.

Q137: do you consider that the indicators in G2-10 (in isolation or jointly) capture the following sufficiently:

	Yes	No	No opinion
the extent to which accounts payable or creditors at period end have been outstanding	○	○	○

the fairness of the undertaking’s payment practices	○	○	○

If not, please provide your rationale and indicate the sector(s) for which you deem add-ons necessary.

Q 138: what alternative indicators would you propose? Please specify whether your proposal(s) are of sector-agnostic or sector-specific nature.

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

Contact

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