

PART 1: Information about the respondent: Q1 – Q10

All deleted. Please check the original consultation paper.

PART 2: GENERAL FEEDBACK: (Q11 – Q34)

11) Clarifications and simplification of the Double Materiality Assessment (DMA) (ESRS 1 Chapter 3) and materiality of information as the basis for sustainability reporting

Question

If you intend to provide feedback also on Part 3 of this questionnaire (at the level of DR or paragraph), please note that by answering this question, you will not be allowed to include comments on Chapter 3 of ESRS 1 in Part 3, to avoid duplication of input. Your comments on Chapter 3 can only be provided here.

Do you agree that the proposed amendments have sufficiently simplified the DMA process, reinforced the information materiality filter and have succeeded in striking an acceptable balance between simplification and robustness of the DMA? Do you agree that the wording of Chapter 3 of ESRS 1 is sufficiently simplified?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

12) New guidance in ESRS 1 on how to consider remediation, mitigation and prevention actions in assessing materiality of negative impacts

Question

If you intend to provide feedback also on Part 3 of this questionnaire, please note that by answering this question, you will not be allowed to include comments on Paragraphs 34 to 36 and Appendix C of ESRS 1, in Part 3 to avoid duplication of input. Your comments on Paragraphs 34 to 36 and Appendix C of ESRS 1 can only be provided here.

Do you agree that the new guidelines clarify how to consider remediation, mitigation and prevention implemented actions in the DMA, contributing to more relevant and comparable reporting?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

The new procedure is more complicated than the previous requirements and would lead to additional workload. Materiality should generally be determined based on net effects, analogous to the assessment carried out as part of the risk inventory in bank risk management. If the net effects are not considered material, there should be no reporting obligation. If, on the other hand, they are considered material, the net effects and, where applicable, significant measures taken or planned, should be reported. This approach appears sufficient, also from the user perspective. An artificial distinction between different time horizons should not be enforced, as the added value of specifying the period in which a topic became material appears questionable. The NMIG could include examples that are helpful in distinguishing between potential and actual effects. A decision tree to support the logic in appendix C would be helpful.

13) Improved readability, conciseness and connectivity of ESRS Sustainability Statements

Question

Do you agree that these proposed Amendments, when combined with the other changes in the Amended ESRS, provide an appropriate level of flexibility to support more relevant and concise reporting, as well as to promote better connectivity with corporate reporting as a whole?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

The option to include a summary at the beginning of the CSRD disclosure is helpful. As it allows users to get an overview quickly. The increased use of appendices could also improve readability, while clearer references would help shorten the sustainability statement without risking any loss of information. Nevertheless, there is still room for improvement in terms of flexibility and striking the right balance between financial and sustainability reporting. We also note that many requirements have been merely summarised rather than simplified, leading to greater complexity and less clarity in discussions with external auditors. Already published concise CSRD reports confirm that the ESRS Set 1 was not the only reason for overly detailed reporting. The individual expectations of the auditors have also contributed to this. Simplifications should therefore focus not only on the report itself, but even more on the process of creating the CSRD report and documentation.

14) Restructuring of the architecture and interaction between ESRS 2 and Topical Standards

Question

Do you agree that these proposed amendments strike an appropriate balance between (1) prescriptiveness of the requirements and preparation effort from the one hand, and (2) need for relevant and comparable information from the other?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

The new architecture and interdependencies appear more streamlined overall, but the implementation effort for entities that have already started ESRS reporting is considerable. The removal of GOV, SBM and IRO from the thematic standards is a positive step and the amended wording makes the GDRs less restrictive. However, the renaming of notions, changes in the numbering of reporting requirements and inconsistent headings in the table of contents are problematic, particularly for the metrics in the social chapter. These amendments would lead to a high level of subsequent adjustment burden for first reporting wave entities. Amendments that increase the burden for reporting entities in the long term should be avoided. A one-off increase in the effort required may be justified for reasonable and necessary modifications, but the cost-benefit aspect should always be taken into account.

15) Improved understandability, clarity and accessibility of the Standards

Question

Please focus your considerations only on the mandatory content of the Exposure Drafts. The following question covers the Non-mandatory Illustrative Guidance ('NMIG').

If you intend also to provide feedback on Part 3, when providing your comments, please refrain from duplicating the comments that you will provide at Standard or DR level.

Do you agree that these proposed amendments achieve the desired level of clarity and accessibility?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

The revised structure of the ESRS is generally positive, particularly the clear arrangement of the application requirements (AR) directly after the disclosure requirements (DR), the deletion of 'may disclose' data points and the consistent conversion of 'shall' data points, which contribute to greater stringency. However, language comprehension remains a challenge, since many passages have been significantly condensed, require repeated reading and are sometimes less clear.

Extensive changes to the numbering, particularly in the E and S standards, would cause additional adjustment workload, which is why cost-benefit aspects should be taken into account.

In addition, some titles disclosure requirements (DRs) for metrics in the S1 standard are inconsistent, we would prefer uniform terminology, analogous to the G standard ('metrics related to ...'), in order to ensure consistency and comprehensibility.

16) Usefulness and status of “Non-Mandatory Illustrative Guidance” (NMIG)

You can access the NMIG at this [link](#).

Select the NMIG from this dropdown menu of NMIG guidelines:

Insert dropdown list of 12 NMIG’s and an option to pick ‘All’

Comments (Please keep it brief!):

We consider the conceptual basis of the NMIG to be comprehensible and meaningful, and its illustrative and non-binding nature should certainly be retained. We are against it being included in the delegated act because the granularity and the overall extent of the ESRS are already considered sufficiently broad.

It is also important that the NMIG is not used to introduce new auditing requirements or to allow interpretations by auditors that lead to increased documentation and reporting obligations. An explicit clarification is crucial.

17) Burden reliefs and other suggested clarifications

Question

EFRAG considered how to improve **consistency with other pieces of regulation. Considering what can be achieved in these Amendments (as opposed to what requires modification by the other regulation) EFRAG gave priority to the SFDR regulation. Please refer to question 28 if you intend to comment on this aspect. Other selected changes to enhance consistency are described in the Log of Amendments for each standard.**

Please note that some of the reliefs described above go beyond the ones in IFRS S1 and S2 described in question 21 below. As interoperability with IFRS S1 and S2 is specifically addressed in question 21 should be commented upon there. Please also refrain here from comments on the options proposed for quantitative financial effects, as question 17 is specifically dealing with them.

Do you agree that these proposed Amendments provide sufficient relief and strike an acceptable balance between (a) responding to the stakeholders' demands for burden reliefs and (b) preserving the transparency needed to achieve the objectives of the EU Green Deal, as well as interoperability with the ISSB's IFRS S1 and S2?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

The proposed amendments are appreciated. The stronger focus on the principle of proportionality, greater flexibility in considering the value chain and the move away from systematically favouring primary data over estimates are particularly welcome. We also consider the concept of "undue cost and effort" a sound and practical approach as it enables entities to avoid disproportionately costly data collection. However, this requires uniform auditing standards in order to avoid extensive discussions with external auditors. In addition, the long-term use of estimates without mandatory annual updated assessment should be permitted, as otherwise this would negate the intended simplification.

Another positive aspect is the option to postpone reporting on new investments or subsidiaries until the next reporting period. This represents a practical reduction in workload.

We consider the planned consolidation of disclosure requirements DR SX-2 and SX-3 into a single DR SX-2 to be possible in the long term, as it brings together thematically related aspects such as engagement, reporting channels and corrective measures. At the same time, however, we would highlight the considerable implementation effort involved in renumbering all DRs in standards S1 to S4 – particularly with regard to external and internal documentation. We would welcome a reduction in the effort involved here. A balance between burden and benefit is still required. Adjustments should only be made where they generate long-term added value. Overall, we are in favour of the draft in key areas, although individual aspects should be made clearer and more practical.

18) Relief for lack of data quality on metrics (ESRS 1 paragraph 92)

Amended ESRS have introduced the ‘undue cost or effort’ relief for all the elements of the reporting, from the identification of material IROs to the calculation of metrics (paragraph 89 of ESRS 1), in line with IFRS S1 and S2, extending it to all metrics. In addition, paragraph 92 of ESRS 1 has introduced a provision applicable both to metrics in own operations and in upstream and downstream value chain. This allows an undertaking to report metrics with a partial scope of calculation, when there are no reliable direct or estimated data to be used in the calculation. This relief does not exempt an undertaking from providing a disclosure, but it allows to disclose a calculation that includes only a partial scope. When using this relief, the undertaking shall disclose actions undertaken to improve the coverage of its calculation in next periods. This transparency is expected to provide sufficient incentive to improve the data quality and achieve a more complete scope in the calculation of the metrics. Accordingly, no time limit is included for the use of the relief. On this point, some EFRAG SRB members, while supporting the relief, considered it essential to include a time limit.

If you intend to provide feedback also on Part 3 of this questionnaire, please note that by answering this question, you will not be allowed to include comments on paragraph 92 of ESRS 1 in Part 3 to avoid duplication of input. Your comments on paragraph 92 of ESRS 1 can only be provided here.

Do you agree that the proposed relief for lack of data quality on metrics strikes an acceptable balance between providing the necessary flexibility for preparers and avoiding undue loss of information?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

The proposed simplifications create meaningful flexibility for reporting and are consistent with the requirements of IFRS S1 and S2, which we welcome. Particularly noteworthy is the introduction of the principle of “undue cost or effort”, as it supports pragmatic implementation. In addition to the option of partial coverage, a purely qualitative disclosure should also be permitted, provided that it is sufficiently transparent and meaningful.

At the same time, efforts should be made to improve data quality. This is particularly relevant for financial institutions that rely on improved customer data for both regulatory requirements and strategic management.

In order to ensure transparency and promote continuous further development, the application of the simplifications could therefore be accompanied by regular, though not necessarily annual, reassessment that are proportionate in terms of cost and benefit.

19) Relief for anticipated financial effects

Question

If you intend to provide feedback also on Part 3 of this questionnaire, please note that by answering this question, you will not be allowed to include comments on paragraph 23 of ESRS 2 in Part 3 to avoid duplication of input. Your comments on that paragraph can only be provided here.

Please select from the alternatives below the one that represents your view:

- ☐ Yes
- ☒ Partially
- ☐ No

[IN ALL CASES, PROVIDE THE RATIONALE FOR YOUR PREFERENCE AND SUGGESTIONS FOR IMPROVEMENTS IF ANY]

Comments (Please keep it brief!):

Our preferred option is definitely Option 2 because it allows for a more practical and less costly implementation. Quantifying financial effects is very challenging by now, therefore the focus should be more on qualitative information. Option 2 simplifies reporting and significantly reduces the amount of documentation required. Nevertheless, if another option is to be applied, it must be ensured that existing internal processes and calculation systems can continue to be used unchanged. There must be no obligation to develop additional calculation logic or provide new datapoints that go beyond existing structures. When adjusting requirements to anticipated financial effects, the EBA guidelines should also be taken into account. The Guidelines on ESG Risk Management (Section 28 a) vi.) explicitly require financial institutions to collect information from their customers (“large counterparties”) on the current and expected financial impact of environmental risks and opportunities. However, quantification is not required there and in many cases the effects cannot even be calculated within a particular range. In addition, financial institutions would depend on data from their customers, most of which do not fall within the scope of the CSRD.

We are therefore strongly in favour of Option 2. The modelling of Option 1, the verification of the results and their disclosure would create significant problems – ranging from technical complexity to competition concerns. Should Option 1 nevertheless be implemented, it is necessary that AR 17 for paragraph 23 is part of the main bodies.

20) ESRS E1: Disclosures on Anticipated Financial Effects

Do you agree that the amended paragraph 40, 41 and 42 of ESRS E1 strike an acceptable balance between (i) simplification and reporting effort and (ii) users' needs?

- () Yes
 () Partially
 (x) No

IF YOU REPLIED NO, SELECT THE PARAGRAPH ON WHICH YOU WANT TO EXPRESS AGREEMENT / DISAGREEMENT
 [SCROLLING MENU]:

ESRS E1 - 40. (a)	X
ESRS E1 - 40. (b)	X
ESRS E1 - 40. (c)	X
ESRS E1 - 40. (d)	X
ESRS E1 - 41. (a)	X
ESRS E1 - 41. (b)	X
ESRS E1 - 41. (c)	X
ESRS E1 - 41. (d)	X
ESRS E1 - 41. (e)	X
ESRS E1 - 41. (f)	X
ESRS E1 – 42.	X

Comments (Please keep it brief!):

As for expected financial effects we generally prefer Option 2.

The current requirements for the reporting on climate-related financial effects under the ESRS are considered too far-reaching, unclear and potentially problematic. We are in favour of a stronger focus on the existing regulatory requirements of the EBA and other supervisory authorities, without introducing additional quantitative datapoints. In cases of doubt, it should be possible to assess the relevance both from the perspective of financial institutions in general and of the respective bank individually, with the decision-making power on assessment and disclosure remaining with the reporting entity.

The required disclosures are challenging to implement in practice as they are not compatible with the current system logic and, in some cases, relate to sensitive strategic information. In addition, some ESRS requirements are legally vague and pose a risk of being misinterpreted and of legal liability.

Overall, we are calling for differentiated, risk-oriented and practicable simplification of the requirements that realistically take into account how institutions actually deal with physical and transition risks and opportunities, without creating new disclosure requirements that go beyond current business practices or jeopardise strategic positioning.

21) Enhanced interoperability with the ISSB's Standards IFRS S1 and S2

Question

Do you agree that these proposed Amendments achieve an appropriate balance between increasing interoperability and meeting the simplification objectives?

☒ Yes

☐ Partially

☐ No

Comments (Please keep it brief!):

We welcome the improved interoperability between ESRS and ISSB. Interoperability creates consistent and reliable data, irrespective of the framework used, thereby bolstering confidence in the information used for analysis and reporting.

Wording adjustments will contribute to better common understanding and greater comparability. In addition, EFRAG should provide an updated table with a complete 1:1 mapping that is more detailed than the previous one and shows, at the level of each individual datapoint, which ESRS requirements simultaneously comply with reporting requirements under IFRS S1 and S2. Without such a table, each single reporting entity would be forced to carry out a time-consuming comparison at datapoint level to demonstrate compliance with IFRS S1 and S2, in addition to ESRS compliance.

22) Reduction in the number of mandatory and voluntary datapoints

Do you agree that the proposed reduction in “shall disclose” datapoints (under materiality) strike an acceptable balance between burden reduction and preserving the information that is necessary to fulfil the objectives of the EU Green Deal?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

We generally consider the reduction of mandatory datapoints to be a step in the right direction. However, the announced reduction in the number of datapoints wouldn't lead to a significant reduction of reporting efforts, which is more likely to be moderate to minimal. This is partly because many removed datapoints were already classified as non-material in the first report. On the other hand, the expected simplification is offset by the effort required for the implementation of modifications and by largely unchanged expectations regarding auditing processes and documentation. However, we appreciate the efforts to strike an acceptable balance between workload and information value.

Due to comprehensive regulatory requirements, such as the EBA Guidelines on ESG Risk Management, as well as data requirements for strategic management (portfolio, risk, etc.), financial institutions depend on prompt and continuous improvement of customer data. These needs should be taken into account when removing data points. We are interested in a permanently established core set of decision-useful data that does not need to be adjusted regularly. Continuity is the key to a robust reporting framework that aims to provide meaningful information over time.

23) Six datapoints exceptionally moved from “may” to “shall”

Datapoint	Rationale for moving from “may” to “shall”
ESRS E3 Water - Own operations total withdrawal (Amended ESRS E3 paragraph 28 (c))	This requirement should not create an additional burden, as reporting water consumption already relies on understanding the water balance, including both withdrawals and discharges. Given this, the change from optional ('may') to mandatory ('shall') reflects the importance of these metrics in completing the water balance equation and ensuring fair presentation of material IROs. Water withdrawal—defined as the volume of water removed from ecosystems—is a key indicator for assessing pressure on local water resources, particularly in water-stressed regions.
ESRS E3 Water – Own operations total discharges (Amended ESRS E3 paragraph 17)	This requirement should not impose an additional burden, as reporting water consumption already depends on understanding the water balance, including both withdrawals and discharges. Accordingly, the change from optional ('may') to mandatory ('shall') reflects the importance of these metrics in completing the water balance equation and supporting the fair presentation of material IROs. Water discharges, in particular, serve as a complementary indicator to water withdrawals, providing a fuller picture of pressure on water resources.
ESRS E4 Biodiversity and ecosystems- Disclosure of transition plan for biodiversity and ecosystems	Changed to mandatory as this disclosure is considered highly decision-useful for users in relation to undertakings operating in certain sectors. Disclosing information on a transition plan (TP) is conditional to have one that is publicly released. This does not add burden as the plan is already public and the information normally available. Implementing TPs, and disclosing on them, is an area that is normalizing and expected to become increasingly important in future years.
ESRS G1 Business conduct– Training of procurement team (Amended ESRS G1 paragraph 10 (c))	The revision G1 has consolidated previous scattered datapoints on training in one generic provision, while specifying the target audience considered critical in sustainability (such as the procurement team). This DP is an important information related to management of suppliers’ relationship for which several other DPs have been deleted.
ESRS G1 Business conduct confirmed incidents (Amended ESRS G1 paragraph 14) (1) Nature of incidents Number of incidents	ESRS G1 did not include any mandatory metric on incidents of corruption and bribery, except for the SFDR indicators. This provision replaces narrative information about corruption and bribery with a quantitative metric. The definition of confirmed incidents is well provided in the Glossary. The required disclosure does not include names or persons involved nor other recognisable characteristics, so that it does not interfere with any legal process.

Do you agree that these exceptions to the general rule are appropriate and justified?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

E4: We support the proposed wording and preconditions for the disclosure of the biodiversity transition plan.
G1-2: 10c: With regard to the management of suppliers’ relationships, it seems sensible for consistency reasons to include a separate chapter on metrics. The materiality of training of the procurement team should be considered independently of other training topics, as the relevance may vary depending on the sector. In the financial sector, the data point is often considered not material compared to other issues.

24) Four new mandatory datapoints (exception)

Datapoint	Rationale for new datapoints
ESRS 2 General disclosures – BP 1 the undertaking shall state that the general requirements of ESRS 1 have been applied for the preparation of its sustainability statement	This may be considered as a new datapoint but replaces several datapoints compared to the Delegated Act. The undertaking now must only state when certain principles were applied and when there is a divergent application from the general requirements, this means that it is not disclosed according to ESRS 1; examples are time horizons or changes in preparation or presentation of sustainability information.
E2-4 Secondary microplastics resulting from the breakdown of larger plastic items or being unintentionally produced through the life cycle of the product. Clarification of former ESRS E2 paragraphs 28(b) and AR 20 leading to new added DP .	The amount of secondary microplastics was already required to be reported in ESRS E2 through AR 20, which addressed both primary and secondary microplastics. However, the Q&A process and the outreach analysis highlighted a lack of clarity on the disclosure requirements in relation to primary and secondary microplastics. The addition of a new qualitative datapoint on secondary microplastics, separate from the Set 1 microplastics datapoint, was favoured to improve clarity and simplify the understanding of the microplastics requirements. Secondary microplastics represent the main source of microplastics released into the environment.
E5-4 Percentage of total weight that are critical and strategic raw material Added draft ESRS E5 paragraph 15(c).	Added for better alignment with recent EU regulatory developments, particularly the Eco-design for Sustainable Product Regulation and Critical Raw Materials Act.
E5-5 Percentage and/or total weight for which the final destination is unknown. Added in draft ESRS E5 paragraph 18(e).	Added to allow mass balance of final destination of waste to be completely disclosed, not forcing undertakings to make unreasonable estimations but instead allowing them to disclose on the figures they have and can reasonably document.

Do you agree that these exceptions to the general rule are appropriate and justified?

- (x) Yes
() Partially
() No

Comments (Please keep it brief!):

25) Emphasis on ESRS being a “fair presentation” reporting framework

Do you agree that explicitly requiring to adopt fair presentation in preparing ESRS sustainability statements will support a more effective functioning of the materiality filter, therefore enabling more relevant reporting and reducing the risk of excessive reported information?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

In general, the introduction of the ‘fair presentation’ concept could be a positive step, but it will only have the desired effect if the auditors confirm it as a pragmatic simplified approach to the ESRS implementation in practice.

Corporate reporting should be principles-based to allow for a focused presentation of information that is useful for decision-making. However, the legal basis for the European Sustainability Reporting Standards (ESRS), the Accounting Directive (2013/34/EU), is based compliance-oriented. This is evident e. g. in Article 34(1)(2)(aa), which requires compliance with the requirements of the Accounting Directive. The double materiality analysis follows a rules-based approach geared to datapoints that requires disclosure where they are material.

We are critical of the interplay between entity-specific disclosures, double materiality with a focus on a broad range of stakeholders, which differs from IFRS S1/S2 and the unclear definition of the term ‘fair presentation’ in the context of sustainability. These factors lead to the risk of an uncontrolled expansion of the scope of reporting, which contradicts the political objective of ESRS simplification and proportionality.

To ensure ‘fair presentation’ an additional process would be required. When implementing the compliance-focused approach auditors expect a kind of a checklist-assessment, which may include information that is not relevant to decision-making.

On the one hand, ESRS could help businesses improve their ESG activities. On the other hand, it remains a comprehensive framework that contains lots of information whose relevance to decision-making could be questioned. There is a risk that ‘fair presentation’ merely represents just another criterion, which results in discussions with the auditors. It should therefore be clarified that, as part of the ESRS, the concept of fair presentation serves to streamline processes as well as the reporting and should not be understood as an additional hurdle. Examples of the beneficial effects of introducing this concept (in NMIG or in the basis for conclusions) could also be helpful.

26) Exception for Financial Institutions' Absolute Climate Reduction Targets

I agree that financial institutions should be exempted from disclosing climate absolute GHG emission values targets when they have only set intensity targets (LINK TO TEXT BOX)	I
I disagree that financial institutions should be exempted from disclosing climate absolute GHG emission values targets when they have only set intensity targets	

Explain your reasoning and if you agree, elaborate on how financial institutions will give transparency and foresight to investors about their target setting and the evolution of their emissions [*Keep it short!*].

Absolute emissions targets are crucial in the **real economy** for assessing actual emission reductions and compliance with climate targets. They allow for transparency and for progress to be tracked credibly. However, indirect emissions, particularly financed Scope 3 emissions, are by far the largest emission driver for **financial institutions**. The direct influence on the emissions of counterparties and their value chains is limited, meaning that absolute targets could potentially suggest a misleading direct influence. In addition, the heterogeneity of portfolios makes it difficult to meaningfully compare absolute target values. Intensity targets, whether physical or economic, and sectoral reduction pathways are considered more appropriate for aligning with EU climate targets and presenting developments transparently. Since over 90% of greenhouse gas emissions from financial institutions are attributable to financing activities, intensity targets provide a realistic and comparable basis for assessing progress towards net zero. A comprehensive disclosure framework should therefore cover the intensity evolution as well as the long-term net-zero strategy and relevant interim targets.

27) ESRS S1: New Threshold for Reporting Metrics Disaggregated at Country Level

Do you agree with the change to the threshold for country-by-country disclosure for the DRs ESRS S1-5 and ESRS S1-7?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

The new disclosure requirement (DR) is suitable not for every reporting entity. The change from 10% to “Top 10” could lead to excessive and misleading information, for example if a country with very few employees is included in the list. In addition, there are businesses that are represented in fewer than ten countries. It should therefore be clarified that the list may be correspondingly shorter.

It should also be made explicitly clear that countries should only be indicated in which both more than 50 employees and more than 10% of the total workforce are employed. This clarity is currently lacking in AR 11. We suggest that the type and granularity of the breakdown should not be made mandatory, as key figures at group level are usually more commonly used and are more meaningful.

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28) ESRS S1: Calculation approach to adequate wages outside the European Union (EU)

Do you agree with the proposed change to the methodology for the calculation of non-EU adequate wages in ESRS S1?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

We welcome that “minimum wage” is relevant in the first step and is not to be preceded by a comparison with “collective bargaining agreements”.

However, the following issues remain unresolved:

For “living wage estimate produced by an institution mandated by the public authorities of the country”, a specific provider should be named or provider lists should be published, e.g. by ILO. It is unclear what auditing steps are required to ensure compliance with ILO standards with regard to minimum wages. It should be clarified that own calculations are permitted if no such benchmarks incorporating ILO standards are available.

29) SFDR and other EU datapoints in Appendix B of Amended ESRS 2

Do you agree with the way the SFDR PAI have been incorporated in the Amended ESRS? You are invited to explain the reason why you agree or disagree and to provide your suggestions for improvements or alternative simplification proposals, if any.

- ☐ Yes
- ☐ Partially
- ☒ No

Comments (Please keep it brief!):

It is crucial that all the information on Principal Adverse Impact (PAI) that must be disclosed by financial market participants in accordance with SFDR, can continue to be derived from the CSRD reports of portfolio companies even after the ESRS amendments. It is therefore particularly important that reporting obligations under the SFDR are harmonised with disclosure requirements for undertakings under the revised ESRS. Financial market participants, such as asset managers, should not be required to provide information that goes beyond the obligations of non-financial undertakings. The alignment of ESRS and PAI is important particularly given the upcoming SFDR review.

We see the integration of Human Rights Policy in ESRS 2 as positive. At the same time, there is a need to clarify the scope of application for “human rights incidents” in ESRS S1-16: It is not clear whether this also applies to ESRS S2 because there is no corresponding mention of it in Appendix 6 of the BfC. Furthermore, it should be clarified in the application notes for ESRS S3 and ESRS S4 that ESRS S1-16 applies to human rights incidents under S3 and S4.

There should be greater coherence between the SFDR and CSRD in order to reduce regulatory complexity.

30) ESRS E4 DR E4-4

Do you agree that EFRAG should review AR 26 in Amended ESRS E4? Please provide suggested wording.

☐ Yes

☒ Partially

☐ No

You are invited to provide suggestions for improvements, if any. [*Keep your answer brief.*]

The current wording is closely oriented on the area targets according to Global Biodiversity Framework (GBF). However, there is empirical evidence to suggest that area alone does not automatically lead to a positive contribution for biological diversity and functioning ecosystems. It would therefore be sensible to also take into account the targeted stabilisation or improvement of the 'state of nature' i.e. the status of species and ecosystem functions. The focus should not be placed exclusively on rare or endangered species, as the decline in flora and fauna affects the entire range (keyword: population protection).

We propose the following amendment to AR26 (amendments are marked in ***bold and italics***): Measurable targets related to biodiversity and ecosystems may, for example, refer to the following aspects:

- Size and location of all habitat areas ***in which the state of nature is protected or has been*** restored, whether directly or indirectly controlled by the undertaking, and whether the success of the restoration measure was or is approved by independent external professionals;
- Recreated surfaces ((environments in which management initiatives are implemented so as to create a ***diverse habitat with biodiversity that is specific to the location*** where it did not exist initially));
- Number or percentage of projects / sites whose ecological integrity was improved (e.g., installation of fish passes, wildlife corridors).

The addition of "specific to the location" is important since otherwise any change, including those that would not serve to protect nature (e.g. the planting of non-native species or faunal distortions), could be considered renaturation.

Given the dynamic development in this area, it would seem sensible to promote the application of a standard recognised in this sector, instead of making the requirements mandatory.

31) ESRS S1 DR15: Gender pay gap

Do you agree with the deletion of the voluntary datapoint on adjusted gender pay gap?

☐ Yes

☒ Partially

☐ No

Comments (Please keep it brief!):

The removal of voluntary datapoints as part of the disclosure requirements seems reasonable since it contributes to simplification and standardisation. Nevertheless, the option to voluntarily publish the adjusted Gender Pay Gap (GPG) should remain in place. Adjusted GPG provides a significantly more differentiated interpretation of the mandatory unadjusted GPG, since it takes into account characteristics that determine salary levels, such as the organisational unit, the job performed and the hierarchical classification (e.g. level of responsibility, pay scale group, management level). As a result, structural distortions that may be included in the unadjusted value are largely excluded.

The disclosure of adjusted GPG therefore contributes to a more appropriate assessment of any pay differences and increases the transparency and traceability of the remuneration structures. Even though this metric is voluntary, the disclosure is useful since it provides a more realistic picture and prevents the unadjusted value being misinterpreted. An example of the calculation logic should be presented in the application notes (NMIG), whereby the data point should be allowed to be disclosed as entity specific data point without additional justification.

The removal of the mandatory adjusted gender pay gap is reasonable, as calculating it at group level could be very complex and require clarification, different remuneration structures could have a distorting effect and conflicts with the Pay Transparency Directive may arise. Instead, entities should be allowed to voluntarily disclose their adjusted Gender Pay Gap by country and, where applicable, also take into account the cost of living.

32) ESRS G1 DR G1-2 and G1-6: Payment practices

The revision of ESRS G1 have led - amongst others - to the deletion of former paragraphs 14 and 33(a), addressing "payment practices" (within the context of management of relationship with suppliers). These datapoints have been replaced by the PAT provisions and an additional specification for SMEs in paragraph 33(b). However, this deletion may still reduce visibility on how undertakings engage with and support SMEs.

Is the current replacement/formulation sufficient to meet the objectives of the CSRD in respect to the protection of SMEs?

☐ Yes

☐ Partially

☐ No

Comments (Please keep it brief!):

33) Overall feedback per standard

Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?

	Agree	
ESRS 1	Partially	x
	Disagree	
ESRS 2	Agree	
	Partially	x
	Disagree	
E1	Agree	
	Partially	x
	Disagree	
E2	Agree	x
	Partially	
	Disagree	
E3	Agree	x
	Partially	
	Disagree	
E4	Agree	x
	Partially	
	Disagree	
E5	Agree	x
	Partially	
	Disagree	
S1	Agree	
	Partially	x
	Disagree	
S2	Agree	
	Partially	x
	Disagree	
S3	Agree	
	Partially	x
	Disagree	
S4	Agree	
	Partially	x
	Disagree	
G1	Agree	x
	Partially	
	Disagree	
Glossary	Agree	
	Partially	
	Disagree	

Comments (for each case; Please keep it brief!):

34) Any other comments

Please provide here any other comments on the 12 EDs or on the Glossary [*Please keep it brief!*]

Anticipating that the final publication of the new ESRS will be most likely in the second half of 2026, the first application date should be 31 December 2027. However, there should be an option to apply the new ESRS for the reference date 31 December 2026. The Excel list of datapoints (IG 3) should be updated first immediately after the final report has been transmitted to the European Commission and then again as part of the announced four-week consultation period. For the first wave undertakings, it is particularly important to receive a final and reliable version of the Excel list with all the deleted datapoints ASAP.

EFRAG should ensure that the transition from the 'old' to the 'new' requirements is as seamless as possible. To achieve this, it would be useful to provide an overview table that also shows which concepts and terms have been revised.

The overall aim of the review of the ESRS to reduce reporting burdens significantly has largely not been achieved with the ESRS proposal. Undertakings who already submit ESRS reports assume a reduction of around 10% according to an initial indicative estimate. However, the implementation effort to switch from 'ESRS 1.0' to 'ESRS 2.0' is enormous. We had expected a significantly more ambitious reduction in reporting effort.

PART 3: Detailed feedback at level of DR or paragraph of the ED (optional)

	I agree	I PARTIALLY AGREE/PARTIALLY DISAGREE agree	I disagree	I would like to provide detailed comments on the DR	I would like to provide detailed comments on the paragraphs (via the Excel Template)
Disclosure Requirement E1-1 - Transition plan for climate change mitigation	()	()	()	()	x
Disclosure Requirement E1-2 - Climate-related risks and scenario analysis	()	()	()	()	()
Disclosure Requirement E1-3 - Resilience in relation to climate change	()	()	()	()	()
Disclosure Requirement E1-4 - Policies related to climate change	()	()	()	()	()
Disclosure Requirement E1-5 - Actions and resources in relation to climate change	()	()	()	()	x
Disclosure Requirement E1-6 - Targets related to climate change	()	()	()	()	x
Disclosure Requirement E1-7 - Energy consumption and mix	()	()	()	()	x

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Disclosure Requirement E1-8 - Gross Scopes 1, 2, 3 emissions	()	()	()	()	x
Disclosure Requirement E1-9 - GHG removals and GHG mitigation projects financed through carbon credits	()	()	()	()	()
Disclosure Requirement E1-10 - Internal carbon pricing	()	()	()	()	()
Disclosure Requirement E1-11 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	()	()	()	()	x