

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

EuropeanIssuers

* First name

Info

* Surname

EuropeanIssuers

* Email (this information will not be published or made public)

info@europeanissuers.eu

* Country of origin

Belgium

* 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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 as an option, as it should be. If it is indeed intended as an option, then the requirement should be clearer in what the options are.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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With regards to part E, we note that it 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.

The level of granularity requested should be guided by considering if the information will be decision-useful for the data user.

In addition, we consider that segment reporting should be first based on information included in the financial statements under IFRS 8 to enhance connectivity with financial reporting. Companies also have to comply and report in accordance with the Taxonomy Regulation (Article 8 of Regulation (EU) 2020/852) which requires segment reporting based on the NACE classification. We consider therefore that DR2-GR2 and the relevant AG should be amended accordingly.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

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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. The reporting entities will face massive challenges in gathering data beyond their direct customers; value chains expand across country borders (beyond EU) and different regulations on reporting outside the EU may require high efforts and costs which are not in balance with the benefit for the data user. 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.

The value chain should be restricted, upstream, to high-risk suppliers and, downstream, should exclude end-users and customers upon which the reporting entity has little to no leverage. EFRAG should reconsider the relevance of all AG related to the value chain and the opportunity to maintain these guidance, in particular AG 14 which requires to disclose contractual terms.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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For part E: No clear ESG link, could equally form part of financial reporting requirements but doesn't, may also be of confidential nature. Further guidance would be needed as to what is required and in what granularity. The level of granularity should consider the usefulness for the data user.

Also, standard uses a very complicated language, risking a misinterpreted reporting (and also a potential misunderstanding on the data user side). We would strongly recommend to simplify the language.

DR2-GR3 (Key features of the value chain), DR2-GR4 (Key drivers of the value creation) and DR2-SBM 1 (Overview of strategy and business model) should be merged into one single disclosure requirement and streamlined. Separately, these disclosure requirements do not meet the characteristics of quality information laid down in ESRS 1 since they don't provide relevant and complete information.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
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| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
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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.

It is unclear, what granularity would be expected about the “planned actions” – the concept of materiality should be applied and limit the level of detail. The usefulness for the data user needs to be considered.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
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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.

It is unclear, what granularity would be expected – the concept of materiality should be applied and limit the level of detail. The usefulness for the data user needs to be considered.

It is important, not to clutter an entity's management report with information that does not meet materiality thresholds.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
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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).

It is unclear, what granularity would be expected – the concept of materiality should be applied and limit the level of detail. The usefulness for the data user needs to be considered and cluttering the management report needs to be avoided.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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.

It is unclear, what granularity would be expected – the concept of materiality should be applied and limit the level of detail. The usefulness for the data user needs to be considered and cluttering the management report needs to be avoided.

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 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

A – I: It is not clear why a regulation in a particular jurisdiction would require a company to list all sorts of other frameworks that they use (to inform their reporting). The entity may be subject to other regulation in other countries, and it would be fair to highlight that, but there is no obvious reason for a requirement to list non-mandatory frameworks within such a comprehensive EU regulation. At a time when there was NO regulation, the mentioning of certain (not all) frameworks may have had its place but this seems now obsolete as a mandatory requirement.

It must also be considered that the management report is a compliance document that should not be cluttered with information distracting from the material topics identified. The currently expected requirements will anyway expand entities' management reports massively.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

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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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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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

DR2-GR3 (Key features of the value chain), DR2-GR4 (Key drivers of the value creation) and DR2-SBM 1 (Overview of strategy and business model) should be merged into one single disclosure requirement and streamlined. Separately, these disclosure requirements do not meet the characteristics of quality information laid down in ESRS 1 since they don't provide relevant and complete information. DR2-SBM 1 furthermore uses terms not defined and not used by the CSRD: mission, vision and purpose. These terms should be deleted as well as paragraph 35(a)

The clarifications requested in AGs cross referencing opportunities and time horizons can be difficult to express

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's 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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 section presents a level of granularity which is too high. 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. We suggest a limitation of reporting to “key stakeholders” as completeness of all stakeholders for an international acting company is unreasonable (particularly when it comes to assurance) with regard to cost /benefit and does not add additional value for data users. Point 38 a) and b) should be deleted because it is impossible and inappropriate for companies to summarize the positions of their stakeholders.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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 is unclear how the disclosure requirement should be applied in practice. Further guidance is needed. Also, it should not be too granular, i.e., by no means at impact-level. The level of detail requested should be calibrated by what is decision-useful information for data users.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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 is unclear how the disclosure requirement should be applied in practice. Further guidance is needed. Also, it should not be too granular, i.e., by no means at risk or opportunity-level. The level of detail required should be calibrated by what is decision-useful information for data users.

We also wonder how the interaction should 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.

Duplications must 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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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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 definition of governance body should be complemented with the following sentence: “where they are not members of the administrative management or supervisory body of the company the CEO and if such function exists in a company, the deputy CEO” in order to take into account the fact that the CEO or the deputy CEO may not be member of the board.

The requirement to describe the sustainability related expertise of each individual member goes too far and against the collegiality of the board. Each member is not necessarily expert in sustainability. The description should therefore be the “competence” (which would refer to their experience) rather than the “expertise” of the administrative, management and supervisory bodies as a whole or its individual members on sustainability matters.

“Other key personnel” should be excluded from the scope of GOV1 52 (d); as well as management level senior executives GOV 2 §55; G1 §27; G1 AG 14 b) iii or senior executive; G2 AG3 c) relevant management.

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?

Duplication of information should also be avoided. Suggestion to limit reporting to a general level to create added value for readers/users of management/sustainability reports. DR seems too granular with a consequence of high reporting effort (without adding value for data users and other interested stakeholders).

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 so 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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 requirements are asking for a level of granularity that seems to go beyond what is needed for data users to understand how the entity is organizing roles and responsibilities. There may also be the risk to misinterpret what one person contributes based on their experience and knowledge: decisions – particularly on material matters - are not taken by one person in isolation but are the result of several discussions, including input from external professionals, and subject matter experts in the company in businesses and functions.

Management level senior executives GOV 2 §55 should be excluded from the scope.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 description of sustainability matters can only take the form of a general presentation regarding subjects publicly disclosed without referring to any sensitive information or confidential project.

The level of detail should be calibrated with what is decision-useful for the data user. In § 60, the sentence “the description of how they were dealt with by the administrative, management and supervisory bodies” which refers to sustainability matters, seems to go far beyond reasonable cost and efforts, and thus shall be deleted. Indeed, this may lead to provide confidential information regarding the decisions taken by the Board.

In § 59 “adequately” and “whether it was able to fulfil its roles and responsibilities” shall be deleted as an undertaking cannot be both judge and jury.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

There may be an overlap with DR6 of ESRS G1 – governance-related requirements need to be streamlined (see above).

§ 63: In certain countries performance-related incentive schemes can only concern executive directors and not non-executive directors as they are not in charge of the implementation of the strategy. Therefore, either the definition shall be reformulated and restricted to executive directors or, it has to be foreseen an exemption in case of legal national requirements contrary to the standard.

§ 64: In addition, the information should be limited to corporate bodies and not extended to senior executives (not defined) or head of departments (AG 50)

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

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.

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.

74 overall: much too detailed to be decision-useful information for data users. E.g., what would the conclusion be from knowing what resources were put in place for the assessment? Does the data user benefit from explanation of every little detail of the process?

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.

The management report should focus on material information, cluttering shall be avoided so that the material information is not obscured. Also, it should be considered that the level of granularity has an impact on the efforts and costs needed for the assurance.

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 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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

No common methodology defines when a risk is material, for transition and physical aspects, and could lead to distorted and non-comparable valuations and disclosures. We suggest to identify threshold to distinguish material and non-material issues, when does a risk become material and what material impact means, to guarantee comparability between undertakings of the same sector. Materiality could be defined on historical basis. Asking for financial quantifications and including them in sustainability report without defining methodology creates several hurdles: as there are no common frameworks, values might be inaccurate/have variation from one company to other, depending on assumptions made thus auditors could not take responsibility for reviewing the data, the financial community would never use that data due to a lack of comparability with peers. On structure of climate-related DR, it'd be better to use the same structure as TCFD with 4 pillars to foster clarity. Part B-C: not possible to compare GHG data through a ratio using turnover given the different characteristics of activities. Such reporting is only relevant for comparison within same activities. Use of turnover is impacted by prices' volatility and isn't reliable data to describe the reduction of physical intensity. The need to define energy consumption by source of energy exceeds requirement of SFDR which distinguishes only the split between renewable and non-renewable energy. E1-1, 15c: how should explanation on financial resources be? E1-1, 15d: Locked-in GHG emissions have high uncertainties especially in power sector due to volatile load factors of the power plants. Unclear how a meaningful figure can be calculated. Concept of locked-in emissions is briefly defined in appendix A and isn't mentioned in SEC and ISSB standards. Either the standard define it in details with reliable methodologies or it shouldn't remain with such level of imprecision in the text. In any case the validation of locked-in GHG emissions in key activities by accredited independent 3-party organisation would be challenging as assessment of those emissions would rely on expert judgment based on complex and non-public modelling. Difficulty to have access to reliable data to be collected outside EU, as not always compulsory on countries of settlement. Indications should be accepted when no reliable data is available and actions plans to make them accessible should be defined. Indications needed to access all GHG emission factors used by company. It's key that standard indicates the need to assess for each data to be released the level of uncertainty, e.g. in percentage. The uncertainty can be high especially for scope 3 assessment. Part E: assessment of costs should be done, as could be high for preparers and investors given the granularity of the data required to gather information on the whole value chain. Annex H, ISO 14064-1 should be better be taken into account. Parts F/G: E1-1, §15a, unclear how alignment with limiting global warming to 1.5°C should be explained and what methods/tools should be used. Until the CSRD final agreement, no EU law directly obliged companies to ensure that their transition plan was compatible with the 1.5°C objective. This direct obligation on companies is unique and raises concerns on its feasibility. The final CSRD text doesn't define rules/criteria to apply when deciding upon the compatibility of the transition plan with the 1.5°C target, nor the way the company should ensure this compatibility; which experts may decide upon this compatibility and the way to ensure it, on which criteria, applying which accreditation procedure? Would this responsibility lay on verifiers only? if so, on which criteria defined in which regulations? This issue is key to help unlock low carbon investment and must be dealt by EU Regulation and not left to private initiatives as those will not be considered as legally acceptable. For some sectors SBTi has not published 1.5 pathways. Must every company assess scientifically its own trajectory? EU must deal with the technicality of how to define the way company can ensure their transition is compatible with the 1.5°C objective. If the EU refuses, the CSRD wording should be changed: companies should be asked to contribute to the objectives of the Paris Agreement and not only the 1.5°C target. The standard defines indicators beyond ISSB climate requirements and SEC requirements. Possible use of either GHG Protocol or ISO 14064-1 should be mentioned. Part H: no indication of priorities to disclose more progressively climate information. A phase-in approach for data going beyond TCFD should be adopted. Part I: Digital reporting should be a mean to take efficient decisions in favour of decarbonisation investment, not an end point leading to no further action. Digital reporting will always remain a complementary tool to a sound direct dialogue based on expertise between investors and companies: it will never replace it. E1-1, 13: Would Science Based Target be sufficient?

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 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

Part E:

- 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 and other voluntary standards that an entity used to inform its reporting would not add value to provide decision-useful information for data users.
- 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.

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, 17: We see currently a challenge in covering the full value chain. This area could be put on priority 2 in course of the phasing-in discussion.

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 jurisdictions 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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

Part E:GHG information across value chain is difficult to obtain with certainty.Assessment of materiality methodology for scope 3 emissions should be specified:based on a percentage or absolute value of emissions compared to the total emissions.The standard should refer to the 15 scope 3 categories of the GHG Protocol instead of creating 5 new intermediate categories.To avoid excessive costs to gather the data in the value chain,it is necessary to apply annex H,ISO 14064-1 or equivalent measures in the GHG Protocol. More specifically we observe that:E1-3,24(h) could lead to unnecessary granularity in reporting without adding benefits for data users;Resource plans do not add value to reporting (as it is irrelevant how many resources are set to reach the targets) but will need significant efforts to measure internally; E1-3,24:Option to disclose GHG emission reduction targets should also allow for intensity target only.Also, it should be clearer if the requisite of setting absolute targets applies to each scope or if it can be combined;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 or optional;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.

Part F and G:Until recent CSRD final agreement, no EU legislation directly obliged a company to ensure that its transition plan was compatible with the 1.5°C objective.The EU Climate Law refers to the Paris Agreement and not only to the 1.5°C objective. This direct obligation on companies is unique and raises concern about its real feasibility.The final CSRD text doesn't define rules and criteria to be applied when deciding upon the compatibility of transition plan with the 1.5°C target,nor the way the company should ensure this compatibility;which experts may decide upon this compatibility and the way to ensure it,given which criteria,applying which accreditation procedure?Would this responsibility lay on verifiers only?and if so, based on which criteria defined in which regulations?This issue is key to help unlock low carbon investment and must be dealt within EU delegated acts and not left to private initiatives as those will not be considered as legally acceptable.EU must deal with the technicality of how to define the way company can ensure their transition is compatible with the 1.5°C objective.The DAs must set up a reference framework for the criteria regarding the compatibility of the transition plan with the 1.5°C objective, while taking into account all existing international initiatives (SBTi among others).If the EU refuses to do so, then the CSRD wording should be changed by suppressing the word "ensure" and referring to the objectives of the Paris Agreement and not only the 1.5°C target.In order to respect the proportionality principle of the CSRD, companies should be allowed to set up their short,medium and long term targets without using the 5 year time period (AG 18a,AG 29b):adjustment of periodicity should be possible.Also,the specification of AG29 is too much detailed and useless.The standard should ensure greater flexibility.

The concept of locked-in emissions is briefly defined in appendix A and not mentioned in SEC and ISSB draft standards.Either the standard should define the concept in further details with reliable methodologies,or it should not remain with such level of imprecision in the text.In any case, the validation of locked-in GHG emissions in key activities by accredited independent third party organization would be very challenging as the assessment of those locked-in emissions would rely on expert judgment based on complex and non-public modelling.Companies might use offsets as contribution to their objectives,but those offsets should only be used to compensate the residual emissions that companies can't reduce by implementing their best efforts.In any case,offsets compensation and GHG reductions should be accounted for separately,as well as avoided emissions.Offset contribution in/outside the value chain shall follow specific frameworks that guarantee additionality and sustainability of the offset to be defined within the standard.Also,the company and its auditors would have to ensure those criteria are met in order to integrate or not offset in the objective. Finally, there's the need for intercomparability between jurisdictions,as EU companies risk to be in a competitive disadvantage against other markets

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

The undertaking shall disclose its climate change mitigation and adaptation 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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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

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With regards to part F, EuropeanIssuers observes the following:

- 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 on how the E EDs apply to the financial sector (if they shall remain sector-agnostic in their current form).

- 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 and would help data users not to get lost in clutter in the management report.
- E1-4, 28: Disclosure on what resources is expected? Financial resources, employee resources, infrastructure, ...? It is not clear what benefit this would deliver for the data user. In order to figure out in large corporations (in many countries with international teams and completely different payment structures) which staff is contributing to the topic it would need a comprehensive assessment and development of an allocation scheme to be able to measure this in the same way year on year. What would the useful insight be? 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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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” for the data user. 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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

As a general remark for all parts, EuropeanIssuers notes that the need to define energy consumption by source of energy exceeds the requirement of the SFDR which is distinguishes only the split between renewable and non-renewable energy.

More specifically, we observe that:

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.
- E1-6 requires “information in the energy consumption associated with high climate impact sectors”. A list of those sectors would be needed.

For part F:

- EU taxonomy
- Regarding the requirement in Paragraph 35, the construction of the index on the basis of turnover is not appropriate as it risks distorting the information in terms of trends and tendencies. In fact, while it may be understandable to have an interest in identifying how much CO2 emission or energy consumption insist on turnover, the moment we move to an evaluation of the trend it detects not only the increase or decrease in the amount emitted and energy consumption but also the trend from turnover that is connected to the evolution of volumes and prices. As an example, in an extremely volatile sector such as energy, significant changes in turnover may be connected to changes in prices that are not under management's control; the incidence of energy consumption/GHG emission level may be higher or lower between two periods being compared simply as a result of turnover trends, which, as mentioned above, are largely related to exogenous factors and unrelated to the volumes actually produced. This volatility of the denominator linked to variables for the most part exogenous, implies that the incidence of energy consumption / the level of GHG emission may be greater or lower between two periods compared simply due to the effect of the trend of turnover which, as mentioned, is largely linked to exogenous factors and not connected with the volumes actually produced. This circumstance does not allow an adequate reading of trends and does not adequately enhance the efforts of the company in terms of reducing energy consumption / GHG emissions. Therefore, it is suggested to delete the required information.

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. Comparability of data between companies may turn out to be not helpful on a very granular level due to different local environments and economies with varying options.

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 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

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EuropeanIssuers considers that reporting on gross/net emissions is 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 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

As mentioned above, EuropeanIssuers considers that reporting on gross/net emissions is necessary. Also, on market-based mechanism, needs 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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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

Overall, for parts E, F, G, we observe that GHG information across value chain is very difficult to obtain with a good level of certainty.

In order to avoid excessive costs to gather the data in the value chain, it is necessary to apply annex H of ISO 14064-1 or equivalent measures in the GHG Protocol.

Uncertainty : it is fundamental that EFRAG standard indicates the need to assess for each data to be released the level of uncertainty for instance in percentage (+/- x %). Indeed, the level of uncertainty can be very high especially for scope 3 assessment.

More specifically:

- E1-9, 46: Breakdown of Scope 3 emissions should not be made in the mentioned breakdown categories but in the categories of the widely used and acknowledged GHG Protocol, as it is the most renown standard and thus comparability across all type of companies from different geographies (including outside of European Union) will be much easier
- 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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

EuropeanIssuers considers that only material GHG emissions should be defined by companies (CO₂, Methan...).

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, it should not be encouraged. Adding up all emissions leads to multiple accounting across companies and sectors and leads data users and analysts to misinterpret the current situation massively.

With regards to Q23, due to a lack of space in the box above, we add here that:

AG17(d)important to assess climate exposure also under lower emission scenarios.AG 22 not clear what anticipated effects means, if it refers to the impact of future climate scenarios on current assets,it would be better to disclose adaption processes and measures part of the company climate strategy.AP ESRS 2-GOV 4,importance of well-functioning carbon taxation and trading mechanisms that can provide short and medium-term predictability to support market efficiency,and strong long-term price signals to support investment and innovation.It is important to be clear that having an internal carbon price isn't associated with having a sustainable transition plan,so undertakings should first clearly disclose their transition plan, investments and the technologies associated with it and for those with future investments completely focused on sustainable technologies and businesses, we believe that developing a complex internal carbon pricing system does not necessarily add value.On the contrary,for undertakings that are not able to prove that their transition plan is consistent with the transition to a climate neutral economy and with limiting global warming to 1.5 °C in line with the Paris Agreement, implementing internal carbon pricing might be particularly useful to guide them towards more sustainable investments.We note a lack of clear explanation of some terms,how it is expected to implement them and how to recognise them in financial statements over the short,medium and long-term, e.g Turnover calculations (DR E1-15 and DR E1-16)-turnover is highly affected by power price which is now the most volatile reference in the market,so we'd like to understand how should undertakings manage volatility in scenarios?Definition of assets for transition risks (regarding DR E1-16).Also,disclosing such detailed information could be very onerous for undertakings and at least a phase in approach should be implemented to allow them to gradually adapt to disclosure requirements.We request specific guidance or sessions to understand how to calculate,implement and disclose requirements,especially those related to financial impacts from physical and transition risks.If undertakings don't have clear comprehension on how to implement such requirements it risks to end up reporting only qualitative information,alleging that is impracticable to perform a quantitative analysis (AG 74 and 85)

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 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

With regards to parts E, F, and G, we overall believe that the use of turnover is very much impacted for energy activities by the volatility of energy prices. It does not allow for comparisons between different activities.

- 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. Does “total” include Scope 1, 2, and 3? Only Scope 1 and 2 would make sense.
- 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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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 consider that setting up different accounts for scope 1,2,3 emissions, avoided emissions and carbon removals and carbon credits are a relevant way to ensure transparency on the low carbon efforts implemented by companies.

In particular, for part F, E1-12,53, we believe guidance on 'removed emissions' is needed, as comparability is difficult.

In addition, we see that required disclosures regarding value chain seem very complex and will be impossible to report for certain parts. Having robust, certifiable data about the supply chain is difficult enough – where would the data from “downstream” come from in an adequate timeframe? Undertakings are not all selling to an end-customer but large volumes will be used to produce other products, there will be data that need to come from other jurisdictions which may require companies to report in different ways than the EU is suggesting.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

Setting up different accounts for scope 1,2,3 emissions, avoided emissions and carbon removals and carbon credits are a relevant way to ensure transparency on the low carbon efforts implemented by companies. Therefore, we consider that further guidance is needed. In addition, 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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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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

As stated above, for parts E, F, G, setting up different accounts for scope 1, 2, 3 emissions, avoided emissions and carbon removals and carbon credits are relevant way to ensure transparency on the low carbon efforts implemented by companies. More specifically, for part E, the 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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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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

As there are no commonly accepted methodologies to assess climate-related financial risks and impacts, the disclosure of such an information will lead to endless questions on the calculus possibly used by companies. Investors might want to compare disclosures that are not comparable given the difference of activities between companies. Furthermore, the disclosure of potential financial impacts is mostly difficult due to confidentiality reasons (aggregated general values are not usable/have a low benefit). In light of this, we recommend the adoption of a very progressive phase-in approach (at least 3 more years) to integrate this reporting based on companies experiences on this matter. Also, we recommend to limit the financial information to be disclosed to those explicitly mentioned in the IFRS S2. We would also recommend to allow 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. Furthermore, alignment is necessary with IFRS requirements to ensure comparability, and also with the CS3D.

To properly assess physical risks is fundamental to develop internal skills and tools and leverage on high resolution data, both regarding climate scenario and asset. Even with this level of preparedness, the insufficient quality of data could affect the ability to assess impacts or their accuracy. Furthermore, any assessment has intrinsic uncertainties, differences in data quality or expertise can results in further variation from one company to other.

Regarding the requirement to disclose assets under material physical risk, the ambiguity of the definition of material risk can drive to relevant difference from one company to another, even in similar conditions. In fact, any asset is exposed to risk, what changes is the probability of an event at a given intensity. A good way to establish a common starting point is to refer, for the short term, to the historical amount of damages from weather-related events. Then, scenario analysis can shed light on expected future changes in frequency and intensity of physical risks which may not increase the potential expected damages since these analyses inform the adaptation plan that includes measures based on expected changes in physical scenario.

Finally, regarding the Application Guidance, we observe:

- AG 72-73. Due to the comments above, a quantitative approach to link the current amount in balance sheet could represent only a current exposition based on historical value. Would be useful to clarify how the turnover metrics should be calculated in detail.
- AG 75 Connectivity with financial reporting: as mentioned above, a reconciliation of material impacts with financial statements is feasible only with historical data.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

As mentioned in our reply to the previous question, as there are no commonly accepted methodologies to assess climate-related financial risks and impacts, the disclosure of such an information will lead to endless questions on the calculus possibly used by companies. Investors might want to compare disclosures that are not comparable given the difference of activities between companies. Furthermore, the disclosure of potential financial impacts is mostly difficult due to confidentiality reasons (aggregated general values are not usable/have a low benefit). In light of this, we recommend the adoption of a very progressive phase-in approach (at least 3 more years) to integrate this reporting based on companies experiences on this matter. Also, we recommend to limit the financial information to be disclosed to those explicitly mentioned in the IFRS S2. We would also recommend to allow 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. Finally, to avoid misinterpretation from external stakeholders, it would be important to ensure a consensus on the reference scenarios which should be used to assess future asset values.

(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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

As mentioned above, as there are no commonly accepted methodologies to assess climate-related financial risks and impacts, the disclosure of such an information will lead to endless questions on the calculus possibly used by companies. Investors might want to compare disclosures that are not comparable given the difference of activities between companies. In light of this, we recommend the adoption of a very progressive phase-in approach (at least 3 more years) to integrate this reporting based on companies experiences on this matter. We also advise to limit the financial information to those explicitly mentioned in IFRS S2.

In addition, we consider that criteria will be of very limited use due to confidentiality reasons. More general statements that can be reported, do not represent reasonable cost/benefit balance (limited use for disclosure target group). For E1-17, 75b: likely commercially sensitive information is difficult to disclose when relating to opportunities as they reveal the company's strategy which should remain confidential for competition issues.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

A:pollutions are highly regulated by general principles and fully implemented by local authorities on specific risk assessment on environment and human health.Companies don't decide on their installations' pollution reduction targets,as emissions limit values are decided by local authorities.Local reporting at installation level is implemented in the EU for each pollutant to be monitored following instructions of the local authority, using regulations as the EPRTTR.Any consolidation in volume of emissions for each pollutant of each installation in a global company reporting is meaningless,as the risk can only be assessed at installation level and not at global level.Local impacts don't correspond to a sum of authorised emissions for all installations.Setting up global volume of emissions at group level can't provide relevant information about the potential impacts as those can only analysed at local level given the specific risks for the environment and the human health.The standard tends to assume that assessing the volume of emissions even locally is a good indicator of the level of pollution, which is questionable as the authorised level of emissions are defined by the local authority in order to avoid pollution. B:not possible to provide simple indicators to enable comparisons across sectors as risks are directly linked to the specific local context of each installation. Calculation in total volumes at group level wouldn't create relevant information to local pollution impacts. Impacts cannot be assessed by the total volume of authorised emissions.Other impact indicators are more suitable.When it comes to the identification of substances of concern, reporting should only focus on SVHC which are the only ones to be very well defined, when relevant. Analyses can only be made at substance level but not at substances group level.Confidentiality should be ensured for sensitive information about the market size of products/services at risk due to pollution-related issues, information on costs(E.2-2), provisions at lower scale than group level(E2-6). C:Financial information may raise confidentiality issues when referring to actions associated to incidents/accidents, as well as OPEX and CAPEX.It would be a challenge for verifiers to approve indicators defined as the total volume of emissions for a pollutant at group level.Identifying the specific pollutant emissions/impacts all along the value chain will be very difficult to implement as the number of data is very important for a single installation and given the usual important number of suppliers and their numerous installations.Availability of upstream/downstream data would also be an issue.Progressivity should be ensured.Application of environmental footprint method is not compulsory, but just a recommendation by the Commission.Companies wonder how to report in a consistent way pollution impacts from installation in countries outside the EU where reporting regulations are often different. E and F:local reporting emissions is available at group level in compliance with EU legislation (EPRTTR). Duplicating it at group level would be costly and would be better to have an indication at group level on the way this local data can be accessible.Identifying specific impacts of pollutants in the value chain will be difficult as number of data is important for a single installation and given the usual important number of suppliers and their numerous installations.Reporting on downstream will be impossible for certain parts. Having robust, certifiable data about the supply chain beyond tier 1 is difficult enough-where would the data from downstream come from in an adequate timeframe?Undertakings are not all selling to an end-customer but large volumes will be used to produce other products,there will be data that need to come from other jurisdictions which may require companies to report in different ways than the EU is suggesting.Therefore, we suggest to postpone the introduction of value chain requirements to allow for adaptation of processes and data collection and that progressivity is ensured.We also call for alignment of the way the boundaries along a value chain are set(20.D).There are too many disclosures with high granularity and the scope is very broad(E2-1: Pollution of air/water/soil,substances of concern, enabling activities, other).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. H:no indication of clear priorities in view of phase-in approach for data taken from upstream and downstream value chain. I:Digital reporting should be a means to take more efficient decisions in favour of pro-environment investment, not an end point leading to no further action. Digital reporting will always remain a complementary tool to a sound direct dialogue based on expertise between investors and companies: it will never replace it

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

Overall, we notice that global objectives of EU legislation are respected, but the way they are applied to companies through the application of BREFs and the setting up of emissions limit values by local authorities given the environment of each installation is not taken into account.

Furthermore, relevant information are most often sector specific and not cross sectoral.

More in depth, we notice that paragraph 26 requires automated reporting of relation between environmental and financial data with respective data systems (costs of set up). The scope should be reduced – e.g. exclusion of relation to turnover?

With regards to E2-2, measurable targets might not been material for a company for pollution in air/water /soil, substances of concern, harmful substances, and therefore we suggest adding the wording “whatever is material for reporting organization”

Some suggestions (AG17, AG21) ask for a level of granularity which is hardly reasonable for the benefits they offer data users. The mere listing of substances, including targets and performance will not in itself provide insight on the overall sustainability of an entity but may rather lead to misinterpretation.

Furthermore, undertakings are required to provide reporting in relation to the target set every five years (including 2030). The time horizon of the targets should be aligned with the time horizon of the business plan, which varies by company. Therefore, more flexibility is required in setting the time horizon of interim targets, also considering the evolution of the current regulatory framework.

With regards to 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.

Finally, we consider that the scope of the 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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

First of all, we observe that action plans against pollution are most of the time set up at local level and not at global level, given best available technologies and assessment of local risks with the local authorities. Furthermore, disclosure of allocated resources for the action plans (E2-3) is not necessarily relevant; it would be if and how targets are achieved, and not how many people are working on target achievement. Disclosing resource plans, especially against the background of the highly detailed level required, is of no added value for stakeholders.

With regards to paragraph 31, the detail of the requested information can be adapted to disclosure on individual production companies in relation and not to the reporting of a complex reality. The action plans required are multiple and each aims at the single production reality (impossible and insignificant to provide them in aggregate form).

Secondly, concerning part G, we reiterate our previous comment that international alignment will only be possible once the ISSB covers pollution as well, and therefore 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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

This standard tackles the prevention, control and elimination of local pollution which has been at the heart of the IPPC Directive which then became the IED. Those pollutions are highly regulated by general principles which are then fully implemented by local authorities given the specific risk assessment on environment and human health to prevent and remediate pollution.

In this context, companies do not decide upon their installations' pollution reduction targets, unlike for greenhouse gases which are managed at company level, as emissions limit values are decided by the local authorities. Local reporting at installation level is already implemented within the EU for each pollutant to be monitored following instructions of the local authority, using appropriate regulations such as the EPRTR at European level. Any consolidation in volume of emissions for each pollutant of each installation in a global company reporting is meaningless, as the risk can only be assessed at installation level and not at global level. Local impacts do not correspond to a sum of authorized emissions for all installations. Setting up a global volume of emissions at group level and not installation by installation cannot provide any relevant information about the potential impacts as those can only analysed at local level given the specific risks for the environment and the human health.

The standard tends to assume that assessing the volume of emissions, even locally, is a good indicator of the level of pollution. This is questionable as the authorized level of emissions are defined by the local authority in order to avoid pollution.

Companies wonder how to report in a consistent way pollution impacts from installation in countries.

It seems that during the preparation of the standard, some stakeholders have claimed the need to rely on EU companies to impose the EU environmental standards in all their countries of settlement. If EU companies may willingly adopt action towards equal environmental performance worldwide for their activities, state level action would remain essential to reach a level playing field.

outside the EU where reporting regulations are often different.

The standard asks companies to provide a breakdown of the emissions by type of source, economic activity and/or geographical area. For instance, we notice that 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. Reporting entities should not be put in a position to provide stakeholders with analyses which the stakeholder should rather do themselves. The management report should focus on material items and not be cluttered with "nice to have" information. It is not clear what the inclusion of these items would mean for the required assurance. Furthermore, the absence of clear methodologies and standards for collecting data can lead to issues of comparability of information reported by companies. This is particularly true with regard of the list of pollutants to be reported under the "Disclosure Requirement E2-4 – Pollution of air, water and soil" - paragraph 34, [...] the pollutants to be disclosed by the undertaking shall comprise those listed in Annex II of the E-PRTR Regulation, to be grouped in accordance with paragraph AG 15 if the undertaking meets or exceeds the threshold for releases stipulated in Annex II of the E-PRTR Regulation within the reporting period. This threshold shall be assessed at the level of the undertaking, and not individually for each facility. Moreover, the level of details required can lead an excessive overload of information to be reported by the entity, considering the all the information are already required by the facility. Also, with regards to paragraph 36 (d), it is unclear what is meant with "where relevant". Does this entail that the pollutants are 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.

On 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. All the examples mentioned, clearly show that it is far too complex to be implemented. Therefore, we consider the requirement is excessive and out of scope.

Finally, as stated above, 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 E2-5 – 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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

When it comes to the identification of substances of concern, reporting should only focus on SVHC (substances of very high concern) which are the only ones to be very well defined, when relevant. Analyses can only be made at substance level but not at substances group level.

We also consider that 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.

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.

E2-5: Linkage to EU taxonomy not (yet) defined – clarification/definition necessary

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

Generally, we believe that the financial effects of many environmental impacts are not well-known yet in detail, and there are no commonly acknowledged methodologies to apply. Impacts can vary a lot depending on local conditions, and no common approach to materiality has been established yet. Furthermore, we think that financial information will raise confidentiality issues when referring to actions associated to incidents /accidents, as well as Opex and Capex.

More particularly, with regards to the specific parts:

Part E:

- 47. the standard ask for a lot of detail which seems additional to current practices:

Aspect of double materiality assessments including interruption of in supply chains.

- 48: It can be challenging to separate out precisely what sort of investment or costs have solely done in context of a major (definition?) incident. Practically, e.g. if new equipment needs to be installed, you often don't change like for like, but you upgrade or modernize (particularly in the current movement to more energy efficiency). Does the cost include all the manpower involved? An entity would need to develop their own process on what to include and how to estimate.

And: would the requested details provide decision-useful insight to the investor?

- 49: the undertaking shall disclose its provisions for environmental protection and remediation costs and when the information is provided in the undertaking's financial statements, a clear reference shall be included in the sustainability statements.

Assessments of pollution-related environmental liabilities are included within the financial statement and accounted for as risk if they are linked to a defined and structured remediation plan. Considering the different time horizon, the link between financial and sustainability data needs to be clarified.

Is this supposed to be a list of projects or aggregated under useful headers?

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

As mentioned above, financial information will raise confidentiality issues when referring to actions associated to incidents/accidents, as well as Opex and Capex.

More specifically, for part G, we note the following:

- 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.
- Assessment of potential impacts may be challenging to implement – guidance is needed. Reporting should be kept at Group level of entities. Note: there is already legislation in place for this reporting obligation (for financial information).
- Any specific information requirement on financial effects should be clearly identified, clarifying the type of information required and the criteria to be used to identify it. For example, the taxonomy approach with pollution level thresholds could be used for impact assessment. In addition, the requirement should be supported by sectoral guidelines to allow companies to operationally decline these requirements and enable the application of a uniform standard within sectors.
- E2-7: Assessment of potential impacts would be difficult to implement – guidance necessary and reporting should be kept at Group level. Additionally, there is already legislation in place for this reporting obligation (for financial information).
- E2-7: Evaluation of potential financial impacts of environmental consequences, risks and opportunities are sometimes difficult to assess quantitatively – guidance necessary and reporting should be kept at Group level.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

Generally, the respect of environmental limits approach mentioned in section 1c) does not seem very pragmatic at company level, as it mainly addresses state level action. It would seem more pragmatic to mention the contribution of companies to respect those limits at global level.

This standard refers to local pollution, especially in the case of water; it should be made clear that reporting should mainly apply to zones of high water stress where the company conducts activities, and not to the global company level. Global water consumption volumes at company level do not seem meaningful in view of decision making.

With regards to specific parts, we notice that:

- E3-1 requests the undertakings to disclose 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. In this regard, while for direct impacts companies have opportunities to remedy the lack of standards with independent choices and approaches, for the supply chain the lack of standards and reference tools represent objective criticalities in responding to requirements. It is suggested that the introduction of value chain requirements be postponed to a later stage so that companies can adapt processes and systems for data collection and monitoring. For example, 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.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

This standard refers to local pollution, especially in the case of water; it should be made clear that reporting should mainly apply to zones of high water stress where the company conducts activities, and not to the global company level. Global water consumption volumes at company level do not seem meaningful in view of decision making.

Water consumption in industrial and energy installations are most of the time subject to regulatory constraints mentioned in the legal permit issued by the local authority. It is therefore unlike GHG emissions, subject to global targets at company level.

Given the broad nature of industries, it seems too limiting to request disclosures on specific figures in specific units. Therefore, it would be preferable to allow some flexibility in disclosures. Furthermore, undertakings are required to provide reporting in relation to the target set every five years (including 2030). The time horizon of the targets should be aligned with the time horizon of the business plan, which varies by company. Therefore, more flexibility is required in setting the time horizon of interim targets, also considering the evolution of the current regulatory framework.

Finally, in AG16 the reference to withdrawals for remediation purposes is not clear. Performance should be evaluated only in consideration of withdrawals operated for production purposes, not for remediation purposes. Remediation withdrawals should be counted only if they are used for production purposes.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 is not clear how the detailing of resources would add to the insight for data users. It would also mean further burden for the assurance.

Reporting on resource plans does not necessarily address a target-oriented approach. It would be more beneficial to report on target setting and target achievement as this would contribute much more to sustainability than naming huge resources.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 respect of environmental limits approach mentioned in section 1c) does not seem very pragmatic at company level, as it mainly addresses state level action. It would seem more pragmatic to mention the contribution of companies to respect those limits at global level.

This standard refers to local pollution, especially in the case of water; it should be made clear that reporting should mainly apply to zones of high water stress where the company conducts activities, and not to the global company level. Global water consumption volumes at company level do not seem meaningful in view of decision making.

Furthermore, while we recognize the importance to disclose on water management performance, getting water consumption in volumes from suppliers and customers seem very difficult. It is therefore questionable to require from companies to obtain precise water volumes from upstream and downstream actors.

Disclosure at group level is more appropriate, and in any case, progressivity is needed to phase in this type of data.

Reference to ISO standards could enhance further alignment with international standards such as WEI and Aquiduct data bases.

In AG26 the reference to withdrawals for remediation purposes is not clear. Performance should be evaluated only in consideration of withdrawals operated for production purposes, not for remediation purposes. Remediation withdrawals should be counted only if they are used for production purposes.

Finally, we notice that point 28(d) Discharges for priority substances of concern in tons of kilograms, provides for a list of "priority substances of concern", which is a very broad category – the reporting burden will be largely increased as it may apply to hundreds of sites of an entity. In addition, the details of the testing needs to be defined (e.g. frequency?). We don't see how this level of granularity adds value for the decision making of the data users.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

Comparability across sectors will be difficult to ensure as the assessment of materiality will result in very different situations in terms of high water stress settlements. Furthermore, the access to information across the value chain will be difficult to obtain.

The intensity ratios based on turnover do not appear relevant, as they do not enable meaningful comparisons between two different activities. Getting information on total volumes is neither a good information at company level, as water consumption is often regulated at local level through permits granted by local authorities. Using ratios with turnover will not enable comparisons between very different activities. Such ratio should be transferred into sector specific standards.

Furthermore, the relationship between various products and pollutants emitted is not established. In our view, this will require huge efforts to quantify. We thus doubt the value for the decision-making of the data user.

Finally, and more generally, given the broad nature of industries, it seems too limiting to request disclosures on specific figures in specific units, and therefore the suggestion is to allow some flexibility in disclosures.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

This DR requires to disclose waste, reduction of waste, use of plastics and proportion of recycled plastics, and other emission specific data. This DR seems redundant with DR required in section ESRS E2 on pollution and ESRS E5 on circular economy.

Any specific information requirement on the financial effects shall be clearly identified, clarifying the type of information required and the criteria that shall be used for its detection. In addition, the requirement should be supported by sectoral guidelines to allow companies to operationally decline these requirements and enable the application of a uniform standard within sectors.

Regarding the assessment of the market size of related products and services at risk, it could be affected by significant uncertainties, especially in relation to the significance of the market prices of the water resource (compared to its real systemic value). The use of future scenarios relating to its availability and / or quality conditions (e.g. Aqueduct 2030-50 maps or similar) could only be of (qualitative) direction to estimate the economic effects on operating activities (e.g. lack of production).

Finally, we notice that 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.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

Overall, we believe that the disclosure should be optional, as a first step, as there are no common methodologies to assess the financial impacts in this field, thus the topic is not mature enough to allow for reliable disclosure.

More particularly, and as an example, with regards to E3-7, the quantitative assessment (estimation!) of potential financial impacts would need guidance. The necessary efforts would be significant, and still, there should be massive variations expected.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

First of all, the objective set up at company level is much too strong as mentioned in §1 d) : “adapt its business model and operations in line with the transition to a sustainable economy and with the preservation and restoration of biodiversity and ecosystems in general ; in line with the objective of (i) ensuring that by 2050 all of the world’s ecosystems and their services are restored to a good ecological condition, resilient and adequately protected and (ii) contributing to achieving the objectives of the EU biodiversity strategy at the latest”.

The volume of the requested information is not clear, and therefore, the availability hard to guess. We expect significant costs and efforts needed for collecting and reporting the information, especially concerning coverage of the full value chain. With regards to the latter, it is not clear how to credibly and robustly attain information upstream AND downstream the value chain. It will be impossible for parts. The information related to the value chain on environmental issues requires a gradual approach to enable companies to implement appropriate systems for collecting and monitoring the required data. In this regard, while for direct impacts companies have opportunities to remedy the lack of standards with independent choices and approaches, for the supply chain the lack of standards and reference tools represent objective criticalities in responding to requirements. The requests appear to be difficult to manage, and at present, tracking of impacts related to, for example, biodiversity issues is also critical. Tracking can only be addressed for supplies, where there is a direct relationship with suppliers. Information should only be requested on activities directly controlled by the company.

With regards to E4-1, it is defined that “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”. Nevertheless, those objectives, which are not yet adopted at international level, will be directly applicable at States level and not at company level. The no net loss approach seems insufficiently defined in the standard, and it is not currently referred to in either the EU Biodiversity Strategy 2030 nor the Post-2020 Global Biodiversity Framework, and there is no evidence either in the CSRD. Therefore, this can be misleading and confusing for entities who will not be able to disclose information on transition plans, business models and strategies that are compatible with “undefined” targets. In this context, either additional legislation is added at EU level to define the procedure to be applied by companies in order to ensure the compatibility with the objective, or the ambition required from companies in E4-1 has to be adapted. With regards to the approval of transition plans, we also notice that disclosure of policy, targets and actions plans in line with regulatory frameworks should suffice. Furthermore, with regards to the request for quantitative information on the different levers to achieve the action plans targets, there is the need to ensure flexibility. We would also like to highlight that, currently, work is ongoing by the Taskforce on Nature-related Financial Disclosures to shape the framework whose work should be considered in context of the connected ESRs. In addition, regarding AG 10 -AG 19 (Biodiversity and ecosystems-related specific application guidance on ESRs 2 Disclosure Requirements IRO 1 and IRO 2 on materiality assessment) physical and transition risks can be identified for direct activities, though with an important effort given the lack of consolidated standards and in consideration of the continuous evolution of the topic.

For indirect activities (supply chain in particular) it is believed that only some sectors can identify their risks for direct suppliers of commodities (especially in the case of direct agricultural supplies), it is instead considered absolutely complex to identify the risks related to complex and global supply chains such as those relating to products (in the case of utilities such as photovoltaic modules or wind generators).

Finally, AG.19 defines systemic risks. The identification of those systemic risks e.g., ecosystem collapse, which have not already been identified by relevant institutions and therefore not already included in transition risks, we consider that is out of the scope of company and should be assessed by the relevant authorities. In consideration of the above, it is believed that DRs should be as flexible as possible so that companies can provide information according to their level of maturity in analyzing biodiversity risks and opportunities.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

Overall, we observe that this standard will be very hard to implement. Some important definitions are missing in appendix A (full recovery, biodiversity friendly, ecological threshold, net gain, raw material of concern, at risk of extinction) and the no net loss approach seems insufficiently defined in the standard. Also, the disclosure requirement is very detailed, and, against this background, it is unclear how to present information in an understandable way.

Furthermore, information requested to be collected and reported by a company is likely a large volume and in parts impossible (especially on downstream in the value chain: intermediate customers, customers across jurisdictions with different reporting requirements)

Prioritisation is not clear, there is risk that the amount of information blurs the view and relevance of the information and the added value for the decision-making process of data users is unclear.

For Part E: We doubt that the level of granularity requested will add value to the decision making of the data user. Also, given the uncertainty in the amount and availability of the needed information, would lead to significant effort and cost with collecting and reporting the information, especially concerning coverage of the full value chain. With regards to E4-2, we notice that disclosure on the full value chain is challenging and in parts impossible (downstream in particular) – not to mention the added effort regarding the assurance.

For Part F and G strong reservations in the judgment are due to the fact they refer to a regulatory framework not yet defined and in evolution, therefore it's not possible to score the consistency and alignment with EU or international frameworks. This should be reassessed in a later stage after the main reference frameworks are released.

With regards to the materiality, we would ask to review the rationale behind the disclosure requirement on the SDGs: when reporting on relevant contributions to SDGs, this should already be covered through other KPIs. SDGs are addressing governments. The SDG documents outline that companies shall work with governments but cannot substitute a country's rule making body.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

As per previous considerations, the objective set up at company level is much too strong as mentioned in §1 d) : “adapt its business model and operations in line with the transition to a sustainable economy and with the preservation and restoration of biodiversity and ecosystems in general ; in line with the objective of (i) ensuring that by 2050 all of the world’s ecosystems and their services are restored to a good ecological condition, resilient and adequately protected and (ii) contributing to achieving the objectives of the EU biodiversity strategy at the latest”.

With regards to E4-1, it is defined that “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”. Nevertheless, those objectives, which are not yet adopted at international level, will be directly applicable at States level and not at company level. The no net loss approach seems insufficiently defined in the standard, and it is not currently referred to in either the EU Biodiversity Strategy 2030 nor the Post-2020 Global Biodiversity Framework, and there is no evidence either in the CSRD. Therefore, this can be misleading and confusing for entities who will not be able to disclose information on transition plans, business models and strategies that are compatible with “undefined” targets. In this context, either additional legislation is added at EU level to define the procedure to be applied by companies in order to ensure the compatibility with the objective, or the ambition required from companies in E4-1 has to be adapted.

Some important definitions are missing in appendix A (full recovery, biodiversity friendly, ecological threshold, net gain, raw material of concern, at risk of extinction).

As a result it would for instance be very hard for a company to prove how “the targets respect and are in alignment with ecological thresholds”, as there is no clear definition of those thresholds for the company level.

This leads to the consideration that the current standard only gives general requirements for the identification by undertaking of a large number of elements, and thus leads to strong reservations for the majority of the standard, and impossibility to score part E. It would be more useful to identify a limited number of targets (prioritized over time) by sector of activity in order to guarantee an objective, verifiable and comparable measure of the sustainability of a company aligned with the global milestones of 2030 and 2050. For all these reasons it fails to provide verifiability (PART C) and to be transformed in a digital reporting taxonomy (PART I). We believe that the circumstance mentioned several times in the ED of referring to a regulatory framework not yet defined is prejudicial to the outcome of the consultation and such as to recommend a postponement in the issue of the standard. The standard should, among other things, clarify how a company can align itself with regulatory requirements both at EU and international level without having a double reporting burden.

Furthermore, the time horizon of the targets should be aligned with the timeline of the business plan, which varies by companies. Flexibility is thus preferred in setting the time horizon of interim targets, also considering the evolution of the current regulatory framework. It is also noted that targets to 2050 are useful as a trend, but given the time horizon so far away it is complex to estimate the figure in a timely manner.

Finally, some specific comments on points: ,

- On (34.c): Biosphere integrity and planetary boundaries are measured at a scale not relevant to individual organizations operating in specific locations. It is not practical to provide more than a general alignment statement, which does not add much value for data users. This requirement should be removed
- On (35): The list of EU and national policies in scope of this disclosure should be provided vs. having every reporting entity compiling this separately as a reporting item. The detailed reporting requirement should be removed for companies which make a general statement that they comply with all related legislation.
- AG 37. Targets related to raw materials shall follow the mitigation hierarchy ‘avoidance’ and “reduction and minimisation” before working on “biodiversity friendly production”. What does biodiversity friendly production exactly mean? “Avoidance” can also lead to biodiversity friendly production from my point of view.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

As mentioned above, the amount of data required in section E4-4 is impossible to sustain for an annual reporting (at point 42 a list of information required for each BAP) BAP is an extensive and site-specific information; for companies with multiple sites, that would be hundreds of pages of data to be disclosed on an annual basis making reporting inefficient and costly unreasonable. If this is the degree of disclosure required, it would make more sense to ask that companies made public the BAP documents of their sites. In any case, this type of reporting does not represent a performance measure that allows measuring the sustainability of a company because it is not based on common metrics and the results (site specific) are not comparable to each other (not even between sites under the same company).

Furthermore, we notice that some of the information requested (e.g. allocation of resources), may be considered commercially sensitive and confidential. It should be exempt from disclosure. Disclosure of targets, policies, and transition plans should be sufficient to provide insights on commitments and performance.

Also, the difficulty to collect data for the whole value chain has to be taken into account.

Furthermore, biodiversity is an area where scenarios are too complex to set up given the number of parameters to integrate. In this context, companies cannot refer to them unlike for climate issues.

The current EFRAG standard seems far more ambitious at this stage than the TNFD which is already based on front runner companies.

In this context, the application of this standard on biodiversity should be progressive and steady without overly detailed information.

At this stage, it seems important to let companies report on this issue following their own maturity and provide companies for progressivity.

A deep and regular dialogue between preparers and users should be enhanced on this issue of biodiversity to define the relevant granularity of data in order to foster pro biodiversity investment decisions.

Finally, some additional specifications:

- 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: it is not clear what is meant with traditional knowledge.
 - Specifically for E4-4, for corporations that are operating across different locations and jurisdictions, e.g. in the renewable energy sector, this disclosure may require different action plans. A consolidation of information and/or a focus on material aspects would focus the data user on the material elements.
- More generally, we observe that detailed information on each activity and uncertainty in the availability of the information would exceed reporting feasibility, lead to high costs in collecting and reporting, especially in the coverage of the full value chain, and may also not add value for the data user.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 definition of relevant indicators for biodiversity is still not stabilized as this notion depends on very complex notions following the definition of biodiversity in Convention(CBD) at 3 levels: intraspecies diversity, interspecies diversity and diversity in the relations between species and their sites. Efforts from the scientific and the business community to identify pragmatic indicators are acknowledged but there is still a very long way to go before ensuring a science based approach on this subject.

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

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

As mentioned above, and as general remark, the amount of data required in section E4-5 E4-6 E4-7 is impossible to sustain for an annual reporting as it is an extensive and site-specific information. For companies with multiple sites, that would be hundreds of pages of data to be disclosed on an annual basis making reporting inefficient and costly unreasonable. In any case, this type of reporting does not represent a performance measure that allows measuring the sustainability of a company because it is not based on common metrics and the results (site specific) are not comparable to each other (not even between sites under the same company). This type of performance disclosure makes sense if it is based on common metrics that make performance comparable to each other. To date, there is no methodology acquired to aggregate site-based impact/performance data at corporate level. We believe that the circumstance mentioned several times in the ED of referring to a regulatory framework not yet defined is prejudicial to the outcome of the consultation and such as to recommend a postponement in the issue of the standard. The standard should among other things clarify how a company can align itself with regulatory requirements both at EU and international level without having a double reporting burden.

In addition, we notice that the definition of relevant indicators for biodiversity is still not stabilized as this notion depends on very complex notions following the definition of biodiversity in Convention(CBD) at 3 levels: intraspecies diversity, interspecies diversity and diversity in the relations between species and their sites. Efforts from the scientific and the business community to identify pragmatic indicators are acknowledged but there is still a very long way to go before ensuring a science based approach on this subject.

More specifically, we observe that:

- Par.46: reference is made to paragraph 43, but should be most likely paragraph 44;
- Par 47. Would be useful to clarify application of this clause to marine habitats and associated specifics to be considered in the Appendix B;
- Par 51 suggests that pressure metrics ... related to ... invasive species control and eradication shall be reported. The current wording is more relevant to "control measures" rather than pressure metrics. This paragraph does not align with metrics recommendations provided in the AG65 (Appendix B). Recommend aligning the content and approach of these two paragraphs.
- Additional information in Appendix B (AG46-55) is supposed to provide further guidance about pressure drivers metrics (which are also defined in ESRS E1-3, 5 – climate change, pollution, etc.), however, these paragraphs seem to be of more relevance to the impact metrics, or the status of receiving habitats, ecosystems and species. It will be useful to have better clarity between the two.
- Several paragraphs in this range refer to some other numbered paragraphs but it is unclear where they sit (Example: AG 51. To align with ecological thresholds per paragraph 33(c), ...). This reference could not be found in this document. A critical review of included references would be beneficial.
- E4-5: The choice of metrics should also be subject to materiality.
- 55.a: Data on population size is generally not available for most species or locations and is unrealistic to request from companies. We recommend removing this unclear metric.
- 55.b: Data is generally not available for most ecosystems and still under assessment by organizations like the IUNC. It is not realistic to expect companies to report on this. We recommend removing this unclear metric.
- 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.

Specifically for Part E: Uncertainty in the amount and availability of the needed information potentially high costs in collecting and reporting the information especially concerning coverage of full value chain

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

As mentioned above, and as general remark, the amount of data required in section E4-5 E4-6 E4-7 is impossible to sustain for an annual reporting as it is an extensive and site-specific information. For companies with multiple sites, that would be hundreds of pages of data to be disclosed on an annual basis making reporting inefficient and costly unreasonable. In any case, this type of reporting does not represent a performance measure that allows measuring the sustainability of a company because it is not based on common metrics and the results (site specific) are not comparable to each other (not even between sites under the same company). This type of performance disclosure makes sense if it is based on common metrics that make performance comparable to each other. To date, there is no methodology acquired to aggregate site-based impact/performance data at corporate level. We believe that the circumstance mentioned several times in the ED of referring to a regulatory framework not yet defined is prejudicial to the outcome of the consultation and such as to recommend a postponement in the issue of the standard. The standard should among other things clarify how a company can align itself with regulatory requirements both at EU and international level without having a double reporting burden.

In addition, we notice that the definition of relevant indicators for biodiversity is still not stabilized as this notion depends on very complex notions following the definition of biodiversity in Convention(CBD) at 3 levels: intraspecies diversity, interspecies diversity and diversity in the relations between species and their sites. Efforts from the scientific and the business community to identify pragmatic indicators are acknowledged but there is still a very long way to go before ensuring a science based approach on this subject.

Finally, with regards to 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.

Specifically for Part E: Uncertainty in the amount and availability of the needed information leads to potentially high costs in collecting and reporting the information especially concerning coverage of full value chain

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

As mentioned above, we notice that the definition of relevant indicators for biodiversity is still not stabilized as this notion depends on very complex notions following the definition of biodiversity in Convention(CBD) at 3 levels: intraspecies diversity, interspecies diversity and diversity in the relations between species and their sites. Efforts from the scientific and the business community to identify pragmatic indicators are acknowledged but there is still a very long way to go before ensuring a science based approach on this subject.

Furthermore, this reporting section seems to be applicable to very limited sectors and mainly to biomass production\consumption (as it refers to raw material traceable to mill or to plantation). Moreover indications are very general. So it fails to be relevant for all sectors (PART A, B). We foresee high costs due to the difficulty to find certified raw material worldwide (PART E), moreover certification systems do not have the same level of recognition at international level (PART C, G)

Finally, concerning 60 (a) and (b) on the volume and percentage of its production and supply of raw material, it can be competition sensitive business information which should not be disclosed.

For Part E: Third party certification schemes are not necessarily available for all raw materials. We propose to review the requirements regarding third-party certifications in general: entities should have standards in place that align with external frameworks and are therefore of certifiable quality.

Any additional data to be collected under challenging conditions which are out of the control of the entity and, on top, need to be assured do add significantly to the overall reporting burden.

For Parts F and G: E4-8: Linkage to EU taxonomy not (yet) defined – clarification/definition necessary. Note: not sector agnostic.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 standard should better clarify the purpose of reporting offset within a sustainability reporting. Is offset considered a performance indicator? how the comparability between companies will be applied regarding offsets? It is not possible to compare companies' sustainability based on the number of offsets applied: in general, this is the last option to be considered (only when avoidance, minimization and restorations fail to be applied) however the decision of offsetting depends on different evaluations, including the sensitivity of the area where the company operates.

The interpretation of figures varies significantly with the size companies and with the sensitivity of the areas where they operate so it is not possible to correlate that figure with a sustainable company's management.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 disclosure requirement is broad and generic, and effects are not yet well known or established: scenarios for biodiversity and nature loss have not yet been developed in the same way as for climate change. The scope of this disclosure requirement is therefore too broad. We believe that disclosing the required data without any stabilised methodology would be very risky. A phased-in approach is therefore of utmost importance.

More specifically, for parts A, B and C, ED 4-10 requires the company to provide information on the potential financial effects of risks and opportunities, however it does not provide any specific indication on how the company should determine these financial effects. Again, alignment on the metrics to be used is essential to ensure the comparability of information and the standard fails to provide guidance on this. Specific guidelines are therefore required to support companies in reporting information and estimating the economic impact related to biodiversity requires the establishment of criteria and thresholds to assess and compare the economic impact and to operationally implement these requirements uniformly within the same sector. For parts F, G and H, ED 4-10 generally mentions EU Taxonomy but it does not make any reference to TNFD which is the main international framework in this field. TNFD is going to provide a risk management and disclosure framework for organisations to report and act on nature-related risks. TNFD framework is scheduled to be released in 2023 and currently TNFD proposes that implementation should be complete "after no more than 5 years", meaning that the deadline for the first reporting would be by 2028. We believe that the fact that the main international regulatory framework on this field is not yet defined, is prejudicial to the outcome of the consultation and such as we strongly recommend a postponement in the issue of the standard. The standard should among other things clarify how a company can align itself with regulatory requirements both at EU (Taxonomy) and international level (TNFD) without having a double reporting burden.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 standard presents an overly complicated language and many references to other legislation or ESRS, including repetitions.

Also, the already existing definitions in the EU legislation have not been inserted in this standard and they would probably be reintroduced in the forthcoming sectoral standards. This sector-agnostic standard refers in appendix A mainly to private organisations views and not the EU legislation documents. This is misleading because circular economy has been tackled in the EU legislation for a long time and this legislation is at the heart of companies continuous improvement in this field. An integration of EU definitions in this sector-agnostic standard should be favored for the sake of consistency. Definitions should be given to “geographical scope “ (E5-2) and “materials (E5-3).

In view of setting priorities within this standard, companies consider it should shed a specific focus on critical raw materials which are of very high interest for the EU.

The objective of “decoupling economic activities from extraction of non-renewable resources” should be replaced by “optimizing the use of non-renewable resources” as it is clear that the decarbonization of the economy will lead to a much more intense use of minerals.

For some activities, very high security standards for products are compulsory and they may contradict up to now with circular economy solutions. In such a case, companies should mention those security requirements and explain their ongoing action plan to further integrate circular economy in the eco-conception of those products.

Alignment with EU legislation could be much clearer in the sector-agnostic standard by using strictly official EU legislation definitions. Consistency should be ensured with the standard on biodiversity: the notion of nature regeneration in AG 1 should be defined in the biodiversity standard and not in this circular economy standard.

There is a lack of references to the forthcoming ISO TC 323 works on circular economy. This international standard seems better suited than private approaches to create a relevant level playing field and enable comparisons.

The definition of renewable materials needs to be meaningful. It is not clear, e.g., what "quickly replenished by ecological cycles" means. Increasing use of renewable (plant based) resources triggers other challenges for land usage, food, water, etc. How will this be considered?

Finally, it should be considered to remove references to regeneration – which is not mentioned in E4 - as it goes beyond ‘just’ increasing the use of circular feedstock of biomass as feedstock.

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 F and 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.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

On secondary material (AG 11), there is postconsumer, postindustrial and postproduction. The post-consumer aspect is challenging and impossible to report on for certain elements.

A comprehensive infrastructure is required to operate complex recycling schemes. The standard is not providing guidance currently.

Tracking performance of “the value chain” comes with significant challenges as many aspects are not in the control of the reporting entity. Parts of the value chain will cover different countries and jurisdictions.

Par. 24: Non-quantitative targets are not taken into consideration; conversely, it would be preferable to include this typology as well. You are asked to justify whether a characteristic impact of materiality is not covered by a target; this may be due to a limited possibility of action or because it depends on random and / or exogenous factors (e.g. recovery of reclamation waste); They are also asked to justify the geographic location of the targets: in general, instead of focusing on what is being done, it is on what is not being done; moreover, providing justifications could create friction with the removal of stakeholders (e.g. bureaucratic or regulatory reasons).

Par. 24 b) It is advisable to define a “cut-off” on the threshold of significance of the collisions to be considered, otherwise the list of those to give could be more consistent than the one on which targets are envisaged.

Par 25 It is appropriate to provide a set of KPIs for each category as a simple reference (for how the target categories and KPIs are written are very questionable)

Par 25 a) There is talk of waste elimination, but it would be more correct to speak of waste minimization, in particular of those sent to disposal. Also, 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.

Finally, there is a lack of references to the forthcoming ISO TC 323 works on circular economy. This international standard seems better suited than private approaches to create a relevant level playing field and enable comparisons in view of target setting.

For Part E: The timeline, the need for change and activities are significant and will increase costs. Targets per geographies seem not the optimal option for entities operating across boundaries. Targets at group level may better reflect the entities position in the complete picture.

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.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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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

In view of setting priorities within this standard, we consider it should shed a specific focus on critical raw materials which are of very high interest for the EU.

Regarding the ESRS E5 standard, we welcome the introduction of a common and standardized guideline at European level since it represents an important step forward in the adoption of the circular economy approach within business activities. However, in order to make it effective, there are some points that in our vision should be revised.

The circular economy aims to decouple economic activities from resource consumption and therefore includes all resources and all stages of the value chain, starting with the raw materials/energy sources used, design, business models adopted, etc. However, it seems that the standard focuses mainly on manufacturing undertakings rather than purchasing undertakings. It is important that the resource concept should concern all type of raw materials (not only the ones used for products manufacturing but also materials used for asset/infrastructure construction), fuels and renewable sources. For this reason, we suggest including some examples to guide companies in the identification of resources to be considered in the application of the standard. For example:

- Original Equipment Manufacturer: material used for products, material used for production equipment purchased, material related to energy consumed during production etc.
- Customer (e.g. utilities): material related to equipment purchased, material related to energy used in the operation (or produced for energy utilities) etc.

In order to cover the entire value chain (from the raw material supplier to the final customer as a utility) it is important to consider that the company could have one or more of the following:

- impact through production activities
- impact through the purchase of goods for its business activities
- impact through the purchase of goods for retail activities: goods that are purchased only to be sold by the company.

For this reason, we suggest including all the above stages within the standard disclosures.

Furthermore, to evaluate the overall impact of a company, we also believe it is important that the resource concept should concern all type of raw materials (not only the ones used for products manufacturing but also materials used for asset/infrastructure construction), fuels and renewable sources.

Finally, we suggest foreseeing within the standard an overall circular performance indicator, in order to evaluate the real impact in terms of circularity of the entity. Partial indicators as circular inflow, outflow, are useful for companies especially in a first phase to identify the main areas of improvement, but they do not allow a complete view of the entity's circularity.

Par 29: this type of geographic approach would oblige multinational and multi-business companies to disclose the individual actions for each activity in each business. A more qualitative approach is suggested and / or one that summarizes and synthesizes the plans according to the categories expressed for the targets in par. 25

The level of disclosure that will be required in relation to the level of information sensitivity in terms of business development must be verified.

Finally, the standard required to describe a list of impacted stakeholders and the details of the impacts for circular economy plans and initiatives; this would involve exposing the initiatives to criticism from stakeholders even before measures to mitigate the impacts can be thought of; moreover, it would not be consistent with the EU regulatory framework, in which the assessment of impacts and consultation with stakeholders take place within the context of specific authorization procedures (e.g. EIA).

For part E: The post-consumer aspect is challenging and will be impossible to report on for certain elements. It may also be impossible to list all stakeholders which are impacted by activities. A general description should be sufficient for data users in the interest of balancing efforts and benefits and materiality.

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.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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Metrics in absolute value might be questionable, as the aim is to tackle resource efficiency in ratios. Use of such ratios would be relevant for sector-specific disclosure requirements.

It is suggested to avoid granular consideration of adverse or beneficial other environmental impacts. This is an extremely complex topic. It would be necessary to ensure alignment with other existing legislation (e.g. EU Taxonomy).

On 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.

With regards to resource inflow, weight and percentages may be difficult (if not impossible, for some sectors) to provide. EuropeanIssuers thus suggests to be more precise in the sectorial standards.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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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

As mentioned above, metrics in absolute value might be questionable as the aim is to tackle resource efficiency in ratios. Use of such ratios would be relevant for sector-specific DR.

Furthermore more specifically, 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.

The disclosure requirement "E5-5 – Resource outflows" par.37 requires that undertaking shall include the amount in both absolute and percentage terms of material and products that are designed along circular principles: durability, reusability, repairability, disassembly, remanufacturing/refurbishment, recycling or other optimisation of the use of the resource. It would be useful to further detail this requirement in order to make them more effective and easily applicable by entities.

With regards to part F, 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, EuropeanIssuers suggests to develop methodologies to quantify and qualify resource outflows.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 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 explicitly mentioned, which may lead to 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 a 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.

With regards to definitions, the waste definition is not always in line with the legislation and some terms are used with different meanings. 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).

Recycling of dangerous waste must be differentiated and prioritized over recycling of non-dangerous waste.

Finally, the disclosure requirement should be prioritized for SFDR purposes (however, only as regards the SFDR-relevant data points).

More specifically, we observe the following points:

Par. 41 (b): It is not clear whether the total amount of waste sent for recovery or the detail of what sent for preparation for reuse, recycling and other recovery is required. With regard to the latter eventuality, it should be noted that:

- The recovery operations listed in the annex to the WFD include in the same codes the types of operations for which details are required here.
- It would therefore not normally be possible to deduce this information from waste management software.
- Moreover, on the basis of the code of the first destiny, which is often R13, it is not possible to deduce the subsequent operation.
- This information could sometimes be obtained from a specific examination of the documentation of the single waste stream, provided that the intermediate plants cannot choose between several final destinations.

Par. 41 (c): Some of the observations reported above also apply to the quantities sent for disposal; in particular:

- On the basis of the code of the first destiny, which is often D15, the subsequent operation cannot be inferred.
- This information could sometimes be obtained from a specific examination of the documentation of the single waste stream, provided that the intermediate plants cannot choose between several final destinations.

AG 30 c): A qualification of the waste produced is necessary.

For Part F: 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.

Furthermore, we suggest to use the definitions of “incineration”, “landfilling”, “recycling” and “recovery” included in the waste framework directive.

With regards to material use 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.

Finally, 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.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 share of net turnover from products and services leveraging the transition to a circular economy will be hard to identify as such.

Furthermore, there is little difference between E 5-5 Resource outflows and E 5-7 Resource use optimization, and therefore we suggest to combine them. The same applies for E 5-7 Resource use optimization and E5-3 Resources Use and Circular Economy-Related Action Plans.

For Part G, to ensure comparability, clear measurement metrics and templates/methodologies shall be defined.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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It will be difficult to obtain all characteristics of products from suppliers especially for those which are subject to industrial secret. Therefore, it will be difficult to assess the impact of those products in the whole value chain. Indeed, disclosing information in absolute and percentage data for circular products will be very hard to ensure. We thus believe that progressivity should be ensured for the collection of this data along the value chain.

The respect of industrial secret will make it difficult to set up accurate verification.

Requiring too many details and information across the value chain will create excessive additional costs while a company may still be able to set up relevant waste recovery solutions. A progressive approach is needed.

With regards to point 47, which states to "Provide information on its ability to create partnerships to accelerate the transition from linear to circular economy", it is unclear why this is necessary, and why 49(a) needs to be an additional step to disclosing circular economy-related action plans at E5-3. It is likely, that companies will describe their collaboration efforts as a means of strategy. No sector or company can decarbonize on its own but needs to consider dependencies.

For Part E: E 5-8 Circularity Support: listing actions is also required under 5-3 Resource use and action plans. We suggest to streamline.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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The disclosure requirement is too broad and generic as effects are not well known or established at this point. The effects of many environmental impacts on the financial position of the company are not well known. Impacts can vary significantly and no common approach to materiality is established yet. Therefore, it would be very difficult for companies to provide these figures. This is why a phased-in approach should be implemented, to ensure reliability and comparability.

Alignment would be needed with regard to financial reporting requirements. This would limit reporting and admin costs while truly create added value.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 have general remarks on the Disclosure Requirements on Own workforce which, cumulatively, reach an excessive level of complexity:

- it is not relevant to multiply indicators and consolidate social data as social policies are national competences, and some concepts are defined at State level: social security, occupational health and safety, etc.
- The information to be provided by companies in the 26 disclosure requirements are too detailed, repetitive and sometimes not relevant
- The scope of the ESRS S1 Own workforce is problematic: companies are not employers of non-employees (they have commercial contracts with independent workers) and are therefore not able to provide information on these workers, especially on a global basis
- we do not subscribe to certain definitions arbitrarily proposed by EFRAG and which are not currently used in European or international legislation (living wage, fair wage...): ESRS cannot be a vehicle to introduce entirely new concepts which have not yet been defined and addressed at EU level. The obligation to report on such new concepts goes beyond CSRD which does not mention neither "living wage" nor "fair wage".
- - Disclosing this information can be very problematic for companies as some data can be sensitive; furthermore, the safeguarding provided by Regulation (EU) 2016/679 must be ensured in relation to the 26 DR.
- Disclosing the information required in all DR and AG will undermine the role of social partners and this is problematic: in some Member States as in France worker representatives are the exclusive recipients of the data at enterprise level.

We would like to draw attention to the administrative burden of this new reporting obligations, which will require companies – particularly the 250 and above employees companies - to adapt their data-collecting processes as well as their information system, and also to the lack of relevance of the data consolidation. For example, average expenses for training worldwide will not give any pertinent information because expenses for training vary considerably from one country to the other. It makes no sense to ask companies to publish this information.

It is therefore essential that the requirements are clear, proportionate, progressive and allow a certain flexibility in order to maintain the right balance between the cost they represent for the companies and the relevance and usability of the information for the stakeholders.

The assessment of material sustainability impacts, risks and opportunities as required by IRO 1, 2 and 3 should be the corner stone to select on which impacts the detailed aspects of each DR should be provided. Therefore, it should be stated in each DR that the required information should only concern those main impacts.

More specifically regarding the S1.1 wording:

There is a strong need to harmonize the vocabulary for an appropriate legal framework. To avoid ambiguity between disclosure requirements and implementation requirements on each ESG topic, every DR must be drafted with the unique form of "shall disclose". In S1.1, it means that § 15 shall start with: "The undertaking

shall disclose its policies...”; § 18 shall start with “the undertaking shall disclose any commitment it may have relating to...”

§ 22 shall be redrafted to separate two situations which do not lead to the same consequences regarding the explanations: explaining why no policy is adopted is accurate only if there are material impacts linked to the topic. For each DR, the absence of material impact should mean that no explanation is required (please refer to the general comment XXX on materiality).

The application guidance should be better articulated with the European legislation, for instance on privacy rights (§AG 31 (f)). It is more accurate to require an undertaking to declare if its policies respect a specific directive than developing, in the EFRAG standards, additional norms which are not in the EFRAG’s prerogatives and add complexity.

The information regarding the non-employees should be put altogether in the S1.8 DR. The specific mentions through the other DR are confusing and make it difficult for the undertaking to properly understand what is required. They can also be misleading for the reader as the level of quality of the information cannot be the same for own employees vs non-employees.

For Part E: For reporting on policies, this could lead to high granularity with corresponding massive effort to be put in this reporting obligation. From our perspective, it would be sufficient to report a general statement that we comply with all relevant legislations (without detailing all legislations which apply to us internationally).

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

Currently, there is a lack of maturity on due diligence which is not yet a substantial obligation. Therefore, this DR should be alleviated and not introduced in DR which deal with other subjects such as engagement processes, for instance in § 24: “how the undertaking engages, as part of its ongoing due diligence process...”. In our view, the EFRAG standard should not anticipate new concepts from the CDDD.

The CSRD requirements should focus on reporting information and not on creating new standards. In addition, as there are new legal requirements for companies with less than 500 employees, this would represent a major cost increase as the entry cost of reporting is high.

There is a strong need to harmonize the vocabulary for an appropriate legal framework. To avoid ambiguity between disclosure requirements and implementation requirements on each ESG topic, every DR must be drafted with the unique form of “shall disclose”. In S1.2, it means that § 23 shall start with: “The undertaking shall disclose its general processes for engaging [...] on its own workforce, if it has implemented such processes. ...”;

Besides, the materiality principle is not clearly settled in the proposed draft, especially considering the AG. There should be a proportionality between the granularity of the requested information and the risk analysis. Too much information is requested in §25, especially appendix b) and there is no consistency between the DR and the AG as the §25 states “where relevant” but the AG, for instance AG 41 only states “shall explain”. Additions of “if any” or “where relevant” are needed in each AG paragraphs.

AG43 should be simplified: The undertaking shall disclose information about the effectiveness of processes for engaging with workers from previous reporting periods if any. Processes used to track the effectiveness can include internal or external auditing or verification, impact assessments, measurement systems, stakeholder feedback, grievance mechanisms, external performance ratings, and benchmarking

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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

Information requests from DR S1.2 are repeated in DR S1.3 which makes difficult to report information: DR1. 2 and 1.3 should be combined.

It should be taken into account that workers representatives are not present in all companies

The reporting of information on temporary employees will be repeated by the companies employing these employees.

There are several DR in S1 to S4 and G1 G2 regarding the channel to raise concerns. Wording is not the same, for those DR and their corresponding AG, which add inappropriate complexity and confusion for the preparer and will be very counterproductive for the reader. That's why they should be better streamlined. Furthermore, companies should be able to describe the common mechanisms for all those concerns it they are addressed with similar methods.

§30 should be deleted because it is based on subjective criteria and adds inappropriate additional workload. It is sufficient to describe the channels the company has put in place, the process through which they are available to workforce and how it monitors issues raised. The company cannot be responsible for disclosing an information on the perception of these channels by the workforce because this information is not objective. Finally, the second part of §30 is already covered by the whistleblower Directive.

AG 50 should be, consistently with AG49 and AG 51 drafted with a “may” instead of a “shall”.

Part E: With regards to 26 (b), we consider this reporting obligation as obsolete (as it would be sufficient to report on existing channels like foreseen in 22 (a). Additionally, reporting obligation 29 (a) – (c) could result in massive reporting effort. A general description would be considered as sufficient to inform interested stakeholders.

Part G: For reporting on raised issues (26 c), this could lead to reporting on sensitive issues. We would recommend to keep this reporting obligation on a general level without going into sensitive details or publishing internal information/documents.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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

To avoid ambiguity between disclosure requirements and implementation requirements on each ESG topic, every DR must be carefully drafted.

Some readers may consider that the mere existence of this disclosure requirement obliges companies of all sizes and sectors to set de facto prescribed targets, which would constitute an unacceptable interference with freedom of enterprise. The legal uncertainty would be detrimental. That's why we recommend to redraft the beginning:

§32 "If the undertaking has settled any outcome-oriented targets, it shall disclose them. It may relate to etc. ..."

§36 the undertaking shall disclose any targets it may have settled with regard to etc....

§37 "If the undertaking has settled any outcome-oriented targets, it shall disclose the process etc....

Furthermore, the granularity of the requirements set out in paragraphs 36 and 37 would oblige companies to publish their entire human resources strategy, which would harm their competitiveness. Such a level of details could discourage companies to set targets.

Generally speaking, the requirements are not clear: the content should be streamlined and made easier to understand by indicating what needs to be disclosed.

Overall, the requested content is repetitive with the content of ESRS S1.6.

Finally, there is no legal basis for companies to consider employee housing in their policies.

AG 55 is a repetition of the objective of the DR and has no specific focus, the paragraph should be deleted. AG 57 is only a repetition of general principles with no specificity related to social matters, it should be deleted.

For Part E we would suggest to limit a reporting obligation to targets if the topic is material to a company.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

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 assessment of material sustainability impacts, risks and opportunities as required by IRO 1, 2 and 3 should be the cornerstone to select on which impacts the detailed aspects of each DR should be provided. Therefore, it should be stated in each DR that the required information should only concern those main impacts.

To this end AG 74 should start with “if forced labour is deemed to be a material actual or potential impact, the undertaking shall explain... The same change should be made to AG 75 on child labour, AG76 on privacy, AG 77 on health and safety.

Those additions are necessary because it is very difficult to use the materiality for social topics, as any social topics is important from a moral point of view. The purpose of the CSRD is to disclose how companies take action to mitigate material impacts, not to require long developments on every topic although the latter are not material for the entity. Those precisions would add legal certainty for the preparers, the auditors and regulators and avoid boilerplate reports.

It is desirable to present both positive and negative sustainability impacts in the sustainability report, but this consideration should not lead to add new requirements for companies to deliver positive impacts for its workforce. This is illustrated by DR § 40 “the undertaking seeks to achieve positive impacts for its own workforce, recognising that in both instances, the ultimate aim is to deliver improved outcomes in workers’ lives” which should be deleted. Besides, it is questionable whether the improvement of workers’ lives to the extent described in AG 70 -71 lies in the companies’ responsibility (also the suggested correlation between enhanced financial literacy and reduced sexual harassment in the workplace).

EFRAG should adopt a more neutral writing:

“§39. The undertaking shall explain:

- (a) what action it may have planned or underway to prevent, mitigate or remedy material negative impacts on its own workforce that are connected to its operations, products or services;
- (b) what action it may have plan or underway to deliver positive impacts for its own workforce and
- (c) how it assesses the effectiveness of these actions, programs and processes in delivering outcomes for its own workforce. “

“§40 [...]. (b) may work to achieve positive impacts for its own workforce”

This writing would be more consistent with §44.

This DR poses practical difficulties for companies, as laws on working conditions differ in different regions of the world. Some of the requirements may seem a way to transfer to companies the burden of the lower level of protection of laws in countries outside the EU. Those subjects are closely linked with the due diligence processes. EFRAG should not anticipate this future directive. Please refer to our general comment § XXX Furthermore, the granularity of information in the AG is excessive.

To avoid ambiguity between disclosure requirements and implementation requirements on each ESG topic, every requirement must be carefully drafted:

AG66 The undertaking shall explain whether and how it tracks the effectiveness of its actions to manage material impacts during the reporting period and any lessons learned from the previous and current reporting periods. Processes used to track etc....

AG 70 is redundant with AG 68 and should be deleted

With regards to part E, we would suggest to limit a reporting obligation to targets if the topic is material to a company.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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

§ 47 and 48 have few added value. For conciseness, they should be deleted as § 45 is clear.

As for S1.5, the assessment of material sustainability impacts risks and opportunities as required by IRO 1, 2 and 3 should be the cornerstone to select on which impacts the detailed aspects of each DR should be provided. Therefore, it should be very clear in S1.6 that the required information should only concern those material risks.

AG 83 should replace “risks” by “material risks”

AG84 add a requirement which is both unclear and not justified. The concept of dependencies is not one of the CSRD principles. At least, it should be redrafted “if the undertaking has identified external developments that influence..., it shall disclose them”.

AG 85 is only a copy paste of the general principles of the CSRD with no added value. For conciseness it should be deleted.

AG 86 does not bring any precision to the S1.6 DR, its purpose is very unclear. AG shouldn't add legal requirement but intend to illustrate the DR. It should be deleted or clarified.

For Part E, we would suggest to limit a reporting obligation to targets if the topic is material to a company.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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 requests in this part are not consistent: there are different requests between Part 1 51(a) and Annex B AG 89. The 10% rate referred to in Part 1 51(a) would facilitate the application.

In addition, the multitude of definitions of permanent, temporary, non-guaranteed hours, full-time and part-time employees in different countries dilutes the added value of this requirement to collect comparable information.

To facilitate understanding and application of these standards, the minimum thresholds should be raised with such a low threshold, the cost of verification would be extremely high as the auditor would need to check every single number in each country.

Part E: Figures in general: Reduce the dimensions which are asked for. E.g., S1-7 requires several figures (1. dimension) by country (2. dim.) and by gender (3. dim.). This would cause high effort and results in lots of badly readable and hardly understandable tables.

Scope: Focus on own employees, which is also the title of ESRS S1 ("own workforce"); external workforce should not be included

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

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

This DR should be the sole part of the standard on the non-employees, to avoid difficulties in understanding the scope of each DR. The use of the term own workforce in several DR is ambiguous as some of them concern only employees and others may concern both employees and non-employees. It would be easier to determine that all DR regard only the employees except S1.8.

S1.8 should be focused on the number of non-employees and the types of contracts, no other data should be required. As explained in our comments on S1.1, the level of details and the reliability of data cannot be the same for non-employees as for the employees. The S1 represents a huge increase in the data collection, starting with the sole employees is challenging enough.

Furthermore, the information requested regarding strategic employment decisions (the context in which the company uses contractors, temps, etc.) touches upon sensitive issues related to the business model. Secondly, there are different definitions of working hours in different countries, which can pose problems for reporting and comparability

For Part G: National laws differ in countries and therefore, there is not one consistent set of definitions to report on. It would be favourable to harmonize definitions / laws with regard to any reporting obligations.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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

A company cannot verify the relevance of the investment in training to the prospects of professional development; professional promotions are independent of the training followed; they depend on the positions available in the company.

The cost-benefit ratio cannot be verified. Item 50 C is not auditable. Items A and C from AG 108 should be excluded. Finally, there is a problem concerning the comparability of training costs between countries.

For part E, we consider Training and Skill Development indicators as not a priority topic for now. Building up this reporting would lead to an increased internal effort. We suggest to shift a reporting obligation on this topic to a later stage, focusing now on top priority sustainability topics.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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There are different regulatory frameworks in each country.

A company cannot carry over these elements because it is not possible to harmonize these regulations

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
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| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
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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 is important to note that issues related to occupational safety and health are covered and regulated differently across Europe. In some countries, employers' liability insurance associations play a significant role in this context and are responsible to financially compensate the consequences of work-related accidents and illnesses.

In general, the focus lies on preventing harms (not promoting health). Eurostat refuses to compare diseases and accidents because the definitions are different. The enterprises consider that the definitions proposed by EFRAG would be contrary to certain national provisions. Consequently, concepts that are not subject to a minimum of Community harmonization, particularly on definitions and criteria, cannot be carried forward because the information will not be comparable and cannot be consolidated which could lead to modify real right.

The elements requested refer to national legislation and seeking to harmonize them would be contrary to the treaties. It is not in EFRAG's prerogatives to adopt definition on health and safety management whereas the European legislation is not harmonized.

The cost benefit ratio of these requirements is questionable

(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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
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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

There is a lack of clarity with the DR S1.1 which requires disclosure of information on working conditions

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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There is a lack of coherence in the text on the reporting obligations between the Disclosure requirements and the Application guidance, particularly on careers' leave from work.

Work-life balance indicators should not be limited to family-related leaves adding more flexible aspects; the title of this requirement is questionable

Companies should be able to provide other eligible content as well, e.g., workplace health promotion, programs, childcare facilities, corporate leadership culture, etc.

Item 69c) is problematic for the consolidation phase. It is very difficult to report the information.

For part E: S1-13: From the content aspect: This topic focusses exclusively on family-related leaves. From our point of view, this a very narrow/restrictive view on work-life-balance. From reporting/data perspective: These figures are very difficult to evaluate. Because the parental leave can be split in several years and can last from 1-36 (e.g., in Germany) month (not a stable period). A central evaluation is not possible, HR employees in each company have to check case by case. So, it causes a lot of additional effort for the companies in the group.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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The draft CSRD does not have any specification regarding wages including any set benchmarks to detect "fair" (or "decent or living") wages.

Thresholds for setting minimum wages such as in AG 141 are not covered 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 performed work and should therefore not be confused with the role of minimum income; and to support compliance with statutory minimum wage provisions and other existing provisions, whilst fully respecting the diversity of national wage setting systems.

For Part E: S1-14: The required figures are currently not deliverable Group-wide and would need an additional separate survey for all companies. The evaluation must be done per country and would need very high resources (incl. research of the fair wages in all relevant countries).

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 |
|--|-----------------------|--|--|-----------------------|----------------------------------|-----------------------|
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National differences in social security systems undermine data availability and comparability. Moreover, the basis for conclusions clearly show that this proposed requirement is intrinsically linked to the EPSR content paving the way for a maximum approach, which should be rejected as it must neither be perceived as a legitimate legal basis for concrete legislative proposals nor as a source of inspiration to shape the social standards entirely.

For part E: S1-15: This would require an international synopsis of social security aspects in each (relevant) country.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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The gender-related disproportion in higher paid positions due to external reasons to the company can only be ill-reflected in such a presentation.

We don't see any relevance for these requirements

On top of that, duplication and overlapping reporting obligations would derive under the planned draft pay transparency directive— still not adopted - thus adding new constraints.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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In the company's financial document, there is a choice of the reported scope, which is not the case in the EFRAG draft text.

The indicator is not relevant, as it is the median of the compensation.

The median annual compensation is not easy to calculate on a global basis and would be costly to be verified.

There is no basis for this disclosure requirement within the framework of the draft CSRD

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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

There is a consistency issue on what information should be disclosed. There is conflicting information (88B) and (AG 150).

Paragraph 88 stipulates information about all incidents without any restraint, which would also include false reports, especially recurring incidents caused by malcontents.

It is therefore important to limit the disclosure requirement to significant cases. There is also a problem with confidentiality and GDPR requirements:

- it is often prohibited to ask employees for this type of personal information
- The differences between national laws, especially with regard to definitions, make compliance with this requirement almost impossible.

With respect to requested information such as sexual harassment in some countries, companies are not allowed to retain the data as in India.

Finally, the disclosure requirements are repetitive with DR S1-4 4 and DR S1 -21.

Some of the disclosure requirements might be based on sensitive information. We would suggest to limit reporting to a level where no such information will be made public.

For part E: we consider splitting reporting obligations with regard to discrimination incidents into a granular approach (on "origin of discrimination", e.g., breach of human rights/work-related discrimination or other discrimination incidents) as very granular. We suggest to de-prioritize this topic and keep reporting obligations at the current stage on a general level (and review a demand for a more detailed reporting over the next few years). Building up corresponding (Group-wide) reporting processes need a massive increase in effort.

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 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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 definition of “persons with disabilities” varies from one country to another so consolidated data are not relevant

The undertaking should publish the policies put in place in companies to remove barriers to employment instead of publishing the rate which is less relevant information.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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 information requested is not pertinent regarding the different legislations.
At least it should not be prioritized.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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 is difficult to consolidate AG 53. There is no basis for this disclosure requirement within the framework of the draft CSRD.

We consider splitting reporting obligations with regard to discrimination incidents into a granular approach (on “origin of discrimination”, e.g., breach of human rights/work-related discrimination or other discrimination incidents) as very granular. We suggest to de-prioritize this topic and keep reporting obligations at the current stage on a general level (and review a demand for a more detailed reporting over the next few years). Building up corresponding (Group-wide) reporting processes need a massive increase in effort. Some of the disclosure requirements might be based on sensitive information. We would suggest to limit reporting to a level where no such information will be made public.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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 threshold for significant employment (i.e., at least 50 employees) is too low, causing disproportionate burden for employers engaged in cross-border and international activities.

It is not clear to what extent these companies are covered by this disclosure requirement. This poses difficulties of comparability between country.

With regards to part E, S1-22: We suggest to keep reporting obligation to a Group-wide KPI, as an exact assessment would require a synopsis including all companies of the group (meaning high effort).

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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

There is a problem with the definition of stoppages, blockages and the criteria for determining each of the elements (AG 160)

The 100 employee thresholds should be harmonized instead of reporting stoppages as a percentage in days and minutes

The level of details required for major work stoppage is excessive (§107b), especially given the low thresholds required, which would require such level of details for stoppages that are not major for the company.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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

Disclosure requests are redundant with DR S1-1 et DR S1-22
It is not relevant to require disclosure on the respect of the law (§110).

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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 would be easier to report human rights information for companies with 250 employees that did not have to report this type of information by combining the disclosure requests into a single indicator

Redundant with DR S1-21

For larger companies (with more than 250 employees), it would be easier to have several human rights indicators.

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 | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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 amount of information requested in this indicator is significant and the information is very precise. Disclosing this kind of information risks rendering the company vulnerable to leaks, and involuntary publication of cybersecurity weaknesses and other internal challenges reducing its competitiveness. Data availability in terms of para. 118. C) is scarcely existent.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 labour, children labour, 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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

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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.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 mention of the communities affected by the activity of the undertaking in the CSRD is concentrated in Article 1, Article 29b defining the sustainability reporting standards and specifically focused on the management and the quality of relationships with communities affected.

Considering this article:

- The draft ESRS S3 is much overly detailed compared to what is expected in CSRD. Furthermore, it does not introduce any notion of stakeholder prioritization. The undertaking should only report on the significant impacts/risks/opportunities, it is therefore necessary to specify the selection of these risks as a filter prior to the implementation of the disclosure requirements. It is also necessary to clarify the reporting obligations so that the undertaking reports only on what it does. Some impact assessments of the actions implemented will not be verifiable, it is necessary to limit the DR on the presentation of the policies and actions implemented. For those reasons, we consider that the topic should be addressed in ESRS 2 and in the governance standards.
- The indicators on each of the stakeholders (customers, suppliers, communities affected) must be carefully calibrated to provide information on the value chain without creating duplication.
- The definition of “affected communities” is unclear and should be more precise. In Appendix A, the definition of “affected communities” mentions communities that can live near by the organization’s operations and also those living at a distance. Hence, it is quite impossible for entities to figure out who are the affected communities.
- Given the information that is requested, it does not seem necessary to have a dedicated standard to the affected communities. Specific information could be required in other parts of the reporting and be coupled with other specific stakeholders’ information (e.g., customers and suppliers) in the part related to governance factors as it is requested in CSRD.
- The focus of ESRS S3 is on presenting risks, not opportunities. From a social perspective, it would have been possible to ask the company for information on its impact on local economic activity, for example in the area of employment. Relations with the entity’s stakeholders such as international NGOs and academics are not considered in this reporting.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 the Question 105

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 the Question 105

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 the Question 105

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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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 the Question 105

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 the Question 105

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

Consumers and end-users are not mentioned at any point of the final version of the CSRD. There is however a mention of the customers in the CSRD in Article 1, Article 29b defining the sustainability reporting standards and specifically focused on the management and the quality of relationships with customers. The draft ESRS S4 is much overly detailed compared to what is expected in CSRD. Furthermore, the distinction between consumer/end-user and customer is important, since the undertaking has less leverage on consumers/end-users than on customers. The indicators on each of the stakeholders (customers, suppliers, communities affected) must be carefully calibrated to provide information on the value chain without creating duplication.

The undertaking should only report on the significant impacts/risks/opportunities, it is therefore necessary to specify the selection of these risks as a filter prior to the implementation of the disclosure requirements. If the undertaking has any material risk or impact related to consumer or end-user, it shall be disclosed accordingly through the materiality assessment as stated by ESRS 2.

It is also necessary to clarify the reporting obligations so that the undertaking only on what it does. Some impact assessments of the actions implemented will not be verifiable, it is necessary to limit the DR on the presentation of the policies and actions implemented.

This draft standard would duplicate many regulations on consumer information (e.g.: digital passport, etc.). Given the information that is requested in CSRD, it does not seem necessary to have a dedicated standard to the customers. The disclosure requirements should be limited to the management and the quality of relationships with customers, as requested on CSRD, and could be merged to other DR related to the management and the quality of relationships with stakeholders mentioned in the directive (suppliers and communities affected).

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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 the question 111

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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 the question 111

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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For part F, please specify what existing European sustainability reporting obligation you think the disclosure requirements misses to address adequately

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Please refer to our answer to the question 111

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 the question 111

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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

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Please refer to our answer to the question 111

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

- G1-1 14 (f): The consultation of stakeholders by boards is not provided for in CSRD. The disclosure should be: "representation of stakeholder groups if any", in order to avoid creating the expectation that there should be such representation which is not necessarily the case.
- G1-1 14 (f) and AG 5 b) significant positions or other position that requires time and attention: the standards should except national provisions requiring to disclose all positions.
- G1-1 14 (h) – limit to "competencies ..." without "associated regulation". There is no sense in writing down all relevant regulations, this would just increase reporting effort without adding value.
- AG 6: Diversity policy such as creed, ethnic origin disability may lead in certain countries such as France to constitutional problems. Indeed, these requests are in breach of Article 1 of the Constitution which provides that "It (Republic) shall ensure the equality of all citizens before the law, without distinction of origin, race and religion". The Constitutional Council has prohibited the implementation of processing operations necessary for the conduct of studies on the measurement of diversity that disregard the principle set out in Article 1. Consequently, the processing of personal data that directly or indirectly reveal the racial or ethnic origins or creed of individuals is prohibited. Irrespective of this Constitutional principle, there are specific laws prohibiting the processing of personal data revealing the "alleged racial or ethnic origin" for the purpose of identifying a person, subject to criminal sanctions. (e.g L.1132-1 Labor Code).

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 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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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 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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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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

Nomination process: G1-3 21 (b) (i) the description of the involvement of stakeholders in the nomination process is not appropriate and should be deleted.

The board cannot be representative of all stakeholders. Indeed, the fact that certain members could be selected by stakeholders raises issues of confidentiality and could also result in conflicts of interests (for example, a board member who would have been selected by a client).

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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

G1-4 § 23: The disclosure of diversity criteria adopted with the associated rationale on their prioritisation should be deleted because they go too far. It would be difficult to prioritise gender above age or the reverse.

§ 24 (a) diversity policy should consider age, gender, minority or vulnerable groups, educational and professional backgrounds, and other aspects (if applicable): this is a broad spectrum of aspects to report on, and would lead to massive increased reporting effort.

§ 24 (a) (iii) is unconstitutional in certain countries such as France as ethical or religious statistics are prohibited (see comments above G1.1). Therefore § a) should be read: "A description of the diversity policy....to each of the following where relevant:"

Also, the definition of vulnerable groups is not adapted to boards (for example children, ex-combatants, HIV /Aids affected households) and should be deleted.

More generally, there should be a general provision in the cross-cutting standards stating that standards that are contrary to national law shall not be applicable.

§ 24 (a) (iv), when it comes to governance bodies, professional background is more appropriate than educational backgrounds.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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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

G1-5 § 27: the reference to “overseeing the management” is not adapted and should be deleted.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

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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

There is already a specific EU directive dedicated to shareholders' rights and "say on pay (SRD). A reference should be made explicitly to this directive for listed companies. Reference to senior executives (not defined) should be deleted in AG 14 (b) iii and v B and C.

G1-6 § 32 (c) should be deleted as it is not foreseen in the shareholders' rights directive (SRD) and should not be applicable either for non-listed companies. Indeed, remuneration is linked to strategy (which already takes into account stakeholders' views) and once again stakeholders are not the appropriate reference for this prerogative. A compromise solution could be to replace by: "whether shareholders' views, and if any, other stakeholders' views are sought and taken into account".

G1-6 AG 14 (b) (v) if the undertakings provide termination payments, it may explain whether.... The word "should" has to be deleted because this disclosure would be too complex and irrelevant considering the numerous differences between executives' pay and employees pay all around the world. For the same reason, in the § d) dedicated to retirement benefits "should" have to be replaced by "may".

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 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

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 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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| C. Can be verified / assured | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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It is not clear how governance factors can “affect” the undertaking’s internal control processes. It should be reformulated by how internal control is addressed by governance.

No 38 implies that sustainability aspects (nonfinancial risks) are already implemented in the risk controlling. These processes differ and therefore reporting exceeding the current reporting would need to be prepared and increase reporting effort.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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G1-9 43 (a) which refers to percentage of independent shareholders-elected members is not clear. Is it a way to exclude representatives which are designated or elected by employees? If a board elected members represents a specific shareholder, he cannot be deemed independent. This disclosure has to be clarified.

G1-9 43 (b) is too detailed, the age of birth of each individual member is sufficient.

G1-9 44 is not applicable in France because contrary to the law. The representative of employees is not included in the percentage of male and female among board members.

Once again there should be a general provision in the cross-cutting standards stating that standards that are contrary to national law shall not be applicable.

For part G, seems to be doubling with G1-1 and G1-4.

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 | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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G1-10 § 48 b) should be replaced by the attendance rate of each member during the whole reporting period (without specifying the number of members who participated at each meeting)

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 |
|--|----------------------------------|--|--|-----------------------|-----------------------|-----------------------|
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A clarification of the notion of “business conduct” is needed.

AG3 (b) is already included in (a) and should be deleted.

AG3 (c): the sentence should read: “Where applicable, the expertise of its governance bodies on business conduct matters”. The reference to “relevant management” should be deleted.

G 2-1 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.

G 2 -1 §17 d): it would be better to replace “incentives” by “tools” as business conduct might be encouraged by other means than remuneration.

G 2 -1 17 f) the reference to contractual clauses should be deleted awaiting for the adoption of the directive regarding due diligence (CS3D).

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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We ask for coherence with the EU DIRECTIVE (EU) 2019/1937 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 October 2019 on the protection of persons who report breaches of Union law in order to avoid discrepancies with notions such as “unethical or unlawful behavior”. When the undertaking is subject to this regulation, it has to report accordingly.

For part E: Details on the training concept (20 g) would lead to unnecessary granularity. We suggest limiting reporting to a general approach of a company.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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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 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.

§ 24 (c) and (d) go into too much detail such as ESRS S1 on complaints regarding equal opportunities and work stoppages.

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 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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| D. Meets the other objectives of the CSRD in term of quality of information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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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 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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
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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.

§ 32 the granularity of the information is too high. Therefore, the word "shall" should be replaced by "may".

(a): The disclosure should be: "identification or definition of categories of persons within the undertaking who are at most risk in respect of anticorruption/bribery.

(e): it would be difficult to assess whether the target audience acquired the necessary knowledge and to get the information from all the subsidiaries worldwide.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 requested disclosures are way too granular and would create a massive internal reporting effort. Information could contain sensitive information.

38 (b) should be deleted to avoid reputational damage for the company although it has not been found guilty. The requirement to disclose ongoing legal proceedings is contrary to the presumption of innocence. Risk factors and annexes to the accounts already give information on reserves for legal proceedings which are material.

(d) should be deleted because it will give rise to expectations to systematically terminate contracts with business partners who may have been condemned in the past but who have since resolved the issues at the basis of the violations and take actions to avoid corruption. Undertakings cannot act as a judge regarding their business partners.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 information is too granular. It has to be limited to material publicly announced investigations and material publicly announced litigations.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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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

In the case of highly dispersed ownership structure with many thousands of shareholders it is difficult to provide this information. The Directive 2015/849 provide for an exemption for listed companies which should fully apply in this context.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

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Appendix A shall be reformulated. The definition of lobbying activities is too broad and should take inspiration from the regulatory framework in the EU which defines lobbying as “all activities (...) carried out with the objective of directly or indirectly influencing the formulation or implementation of policy and the decision-making processes of the EU institutions, irrespective of where they are undertaken and of the channel or medium of communication used”.

48 (a) is against the collegiality of the board as it is the board as a whole which is responsible for the oversight of these activities and not one particular member. this requirement should be deleted.

48 (b) (iv) shall be limited to publicly registered professional or advocacy associations whether it concerns mandatory or voluntary registration on transparency register at EU or national level.

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 | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| B. Requires information that is relevant for all sectors (sector-agnostic only information) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| C. Can be verified / assured | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| D. Meets the other objectives of the CSRD in term of quality of information | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| E. Reaches a reasonable cost / benefit balance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| F. Is sufficiently consistent with relevant EU policies and other EU legislation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| G. Is as aligned as possible to international sustainability standards given the CSRD requirements | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| H. Represent information that must be prioritised in first year of implementation | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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 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.

There are mandatory legal requirements on payment practices in France. However, there are local rules, that might be different and very difficult to consolidate worldwide.

Therefore, an alternative would be to limit the disclosure to the rules of the registered office of the undertaking or to high risks sectors in this respect.

In any case, this information will be impossible to audit / verify.

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 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| the fairness of the undertaking's payment practices | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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

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