

# 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

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## EFRAG Sustainability Reporting Board Consultation Survey 2

### Respondent Profile

#### 1. Personal details

\* Organisation name

BUSINESSEUROPE

\* First name

Agata

\* Surname

Zalewska

\* Email (this information will not be published or made public)

a.zalewska@businessseurope.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)

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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 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 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 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 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**

For part E: Even for well experienced reporting organizations with long experience from using international ESG reporting standards, e.g. the GRI Standards, implementation of the draft ESRS standards are expected to require significant restructuring of the reporting approach and significant additional information required without necessarily improving the users need for information nor making the access to the information easier. We foresee a significant lack in reporting competence in the implementation of the standards at company, consultancy and auditor level.

For part G: Instead of aiming to comply with a multitude of standards, we suggest that it should be investigated what are the most important reporting requirements and how can they most efficiently be complied with. The aim of good reporting should be to add value to the reporting organization as well as to the report users. In both cases, that means there is a need to prioritize what information is material and needed. By being too prescriptive in the reporting requirements, there is a significant risk that reporting becomes mainly a compliance exercise instead of adding value to the users as well as to the preparers.

## **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 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 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 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**

It needs to be clarified how to apply sector of activity to different legal entity types (e.g. service entity) vs. the sector of the total group (e.g. manufacture of chemical products, etc.) as this will drive reporting on Taxonomy-related disclosures, etc.

## **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 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 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"/>
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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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



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For local subsidiaries of a group, it needs to be clarified how the value chain should be described as the value chain is often dominated by inter-company relationships with other legal entities within the same group. This is especially the case if the undertaking in scope of the CSRD does not directly serve the end-users of the group's products or services, but if instead it serves a special purpose within the group's value chain, e.g. when it provides business or R&D services, distribution services, manufacturing services, or financing. The value chain of the subsidiary cannot be explained without the rest of the group which renders the reporting by the subsidiary duplicative, obsolete and not meaningful. Importantly, in line with the CSRD, companies should be able to conduct sustainability reporting at group level, while exempting subsidiary undertakings from direct reporting obligations when they are included in the consolidated management report.

## **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 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"/>
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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"/>
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While the disclosure requirement “The undertaking shall describe how it creates value” is very general, the underlying requirements are difficult to understand even for a very experienced ESG reporting specialist. A much simpler language should be strived for to make the disclosure requirement understandable to experienced as well as new reporters.

## **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 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 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 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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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For part E: The approximation of information that cannot be collected (e. g. in the value chain) goes against the principle of verifiability and faithful representation as it may lead to largely wrong estimates due to the lack of delimitation of reporting boundaries.

Overarching comment: While most of this is reasonable and applicable, inclusion of entities under the proportional consolidation method is complex and complicated, in particular for entities outside of the EU /EEA. It requires that the entity in question follows the same reporting methodology as the reporting organization. In addition, several quantitative reporting indicators are not well suited for “proportional inclusion” e.g., compliance and ethical indicators. How to include qualitative information proportionally is also complicated. While in some cases the materiality concept can be used, this is more unclear on policy, strategy and target side. There is a significant risk that such reporting will increase the length of a report significantly while reducing its readability. In addition, it may require significantly more reporting resources in the “proportional entities” as well as the reporting entity. It will also add to the uncertainty in the reporting.

## **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 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 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 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 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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For part E: The requirement in 24(a) in terms of identification of 'estimation uncertainty' seems to a large extent reasonable and needed in view of the complexity of the reporting issues covered under ESG indicators. The requirements in 24(b) are more challenging with its requirement of uncertainty disclosures related to "possible future events about which there is a significant outcome uncertainty". All practical experience indicates that the uncertainty of such events is large. We are here close to "think about a figure" instead of giving the report user meaningful information. This is a metric that should belong in the general risk description (including main risks) and not in the description of uncertainty related to each metric.

## **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 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 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 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 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**

We suggest combining the requirements in ESRS1 and ESRS2 and include it in only one of the standards. All references to other ESRS standards should be made precise to make it clearer to the report preparers as well as users.

## **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 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 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 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 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**

We suggest combining the requirements in ESRS1 and ESRS2 and include it in only one of the standards. All references to other ESRS standards should be made precise to make it clearer to the report preparers as well as users.

## **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 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 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 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**

For part G: This is not a general reporting requirement today. While some companies are already practicing such approach (formally or informally) the use of other sustainability reporting pronouncements should not be a prioritized requirement but should remain voluntary.

## **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 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 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 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**

**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**

While the main reporting requirement is reasonable, the underlying requirements are more unclear, in particular 30(b). It is difficult to understand how this differs from the materiality analysis and its disclosure. It is also unclear why AG22 and AG23 are application guidance and not part of the reporting requirement. In general, it is challenging that some reporting requirements are included in the guidance only. The word shall indicates a requirement and not guidance. Finally, here again, in line with the CSRD, companies should be able to conduct sustainability reporting at group level, while exempting subsidiary undertakings from direct reporting obligations when they are included in the consolidated management report.

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

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### **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 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 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 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 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 disclosure requirement should be seen in context with the overall business strategy and model at group level and should not be a required part of separate ESG section(s). Many companies would include this in the general strategy and business model information. To require separate reporting would create double work while reducing the value for certain reporting organizations and users of the reporting. Also, in AG25 wording is in particular challenging and not precise. E.g. “directions of travel” (c) and “targets the undertaking expects to reach”: Does that mean that stretch targets should not be included? E.g. becoming climate neutral by 2050? The disclosures are too prescriptive, which may result in the document being disproportionate and of less relevance by the primary users of the information.

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

An undertaking shall describe how the views, interests and expectations of its stakeholders inform the undertaking’ strategy and business model.

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

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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<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 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**

For part G: While stakeholder engagement and reporting on the outcomes are fundamental for good ESG reporting (including for defining the materiality analysis) the description seems somewhat outdated. We fear that the required reporting approach will be more of a reporting (and writing) challenge than securing good stakeholder engagement. Reporting on expectations of stakeholders also goes beyond the mandate from the CSRD proposal. More important than a detailed description as outlined in 38(a) and (b) is how stakeholder engagement is organized and how it is being used – based on the individual needs (and impacts) of different organizations. The stakeholders themselves should be responsible for explaining their views and expectations, and there is a potential to misrepresent them if companies are expected to do so on their behalf.

## **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 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 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 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**

While the importance of reporting on the interaction between the reporting organization's impacts and its strategy is rather self-explanatory, the additional requirement related to "business model(s)" is more unclear. The application guidance does not give sufficient advice to clarify what is expected. The reporting requirements are generally unclear regarding extent. This includes §41 where it is unclear if the requested information shall be described together in one place or if it can be included where it thematically belongs in the management report. Even with "summarized" in the requirement, the full requirement seem extensive and unclear.

## **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 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 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 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 reporting requirements are partly unclear. This relates to the general requirement of “changes to its business models (§47 b and c) and what are the expectations of “summarized description of the related policies ...”. A description of policies can either give very voluminous reports or little value to the reader. Publicly disclosed policies referred to from the report could be an alternative for many reporters.

## **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 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 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 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 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 ambition of the reporting requirement seems reasonable, but the level of detail and the depth to report on in the organization are problematic (in particular related to part E). This type of information is more suited to be reported on the web of the company than in a sustainability report.

The definition of Administrative, management and supervisory 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 but shall be included in the definition.

The definitions and terminology should be aligned between ESRS 2 and ESRS G1, to avoid a juxtaposition of the terms governance body and the terms Administrative, management and supervisory bodies.

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, accordingly with the directive, “their expertise and skills” as a whole or individually, expertise and skills referring mainly to their experience.

“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. Such information is overly prescriptive and will require significant additional reporting burden with uncertain value to report users.

## **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 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 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 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**

Requiring to report on what the governance bodies are informed about seems challenging and is of less interest than what they have been actively addressing. It is also inconsistent with the reporting requirement in §60. We recommend to combine 2-GOV 2 and 2-GOV 3 to put them in better context and reduce confusion.

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

## **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 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 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 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 see comment to 2-GOV 2 recommending to combine 2 and 3.

The requirement of “provide a list of the sustainability matters addressed by its governance bodies ...” could either be very general (and giving limited relevant information) or require information that for different reasons are not made public. It is also unclear what a “sustainability matter” is in this context. Such matters are very often interlinked with ordinary business processes that for confidentiality reasons will never be disclosed, e.g. discontinued M&A processes.

§60 is also difficult to understand in context with AG46 and should be deleted. In §59 “adequately” and “whether it was able to fulfill its roles and responsibilities” should 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 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 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 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 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**

For parts E+G: While this might be a reporting requirement already implemented in some legislations, it might be more challenging in others. Also, as a matter of principle, whilst this reporting requirement is part of the discussions between the co-legislators, it is not yet in the final text, therefore, this may be preempting the final CSRD.

§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 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 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 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**

While the disclosure requirement in itself is reasonable, the underlying requirements are unclear, including AG55.

## **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 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 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 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 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 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**

Overarching comment: We propose to include a clear standalone step-by step guidance on how to perform a materiality assessment to provide greater clarity in particular to the inexperienced reporters. The current explanations (divided between ESRS 1 and ESRS 2) makes it challenging to secure consistent approaches across the reporting organizations.

While a systematic materiality assessment is the basis for all quality ESG reporting, certain of the disclosure requirements are very detailed. This includes §74. In addition, while the impact axis of double materiality should be quite familiar to experienced ESG reporters, the financial axis is less clear to ESG reporting professionals and probably also to financial reporting professionals. The requirements in §74 b i-iii are also difficult to separate from each other. In addition, the disclosure requirement 74c includes to report the involvement of internal experts. The report can become very long if we rely on such detailed reporting requirements.

In general, the level of detail in the requirement seems to confuse more than explain.

As the CSRD requires reporting by large subsidiaries of non-EU based parents, performing multiple materiality assessments within a group at subsidiary level would be excessively burdensome. In any case, additional guidance is needed on the materiality assessment for their subsidiaries: Should the reporting company attempts to run multiple stakeholder engagements and materiality assessments for each of its subsidiaries in scope of the CSRD (potentially several per country)? Or should the group perform one overall materiality assessment for the entire group presence in the EU and then break this broader stakeholder input on material impacts down to the issues that matter for each undertaking that needs to report based on its role within the group? This split requires detailed knowledge of the nexus of inter-company relationships.

## **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 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 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 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 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 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**

While the overall disclosure requirement is reasonable, the detailed instructions in §77 (except 77d) are quite onerous without making it clear how to report or how to use the reported information. There is a risk that this disclosure requirement assumes that a company would modify its strategy or business model. The decision on whether to do so should be the preserve of the company. The disclosure should be limited to any changes to the strategy or business model or any mitigation/ enhancement activity that the company in its discretion has chosen to implement.

BusinessEurope does not support the proposed rebuttable presumption approach that all disclosure requirements are material unless the rebuttable presumption approach is being used, requiring the companies to demonstrate why certain sustainability related issues are not material for them.

Unfortunately, the expectation in terms of company processes to identify material sustainability impacts, risks and opportunities is likely to lead to significant additional administrative burdens for the covered companies by CSRD. These additional burdens, compared to the current reality, needs to be analysed by the Commission and EFRAG, in line with better regulation and impact assessment tools.

## **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 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 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 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**

**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 level of reporting detail is questionable compared to the relevance of the entity-specific disclosure.

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

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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 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 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 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 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**

For part E: Some disclosures might be asking for a granularity that will likely not add to the insights sought from data users, but generally, requested disclosures are meaningful for reporting.

For part F: ESRS E1 Standard covers "Climate change mitigation, climate change adaptation and energy". It should be considered to establish a separate energy standard. If such a separate standard is not established, emission data should lead the necessary disclosure requirements as they are more strongly connected to the required transition plans.

Overarching comment: the presentation of a transformation plan is a requirement that must be realistically possible to be met by the companies concerned. However, the fact that the plans are dependent on other influencing factors such as market developments (acceptance of green products), local subsidies and incentives, carbon border adjustment mechanisms, etc.) is not considered. Such factors are of critical importance, since the user of the information needs to know under what conditions such a plan was created and is to be met.

Furthermore, the standards should stick with the language of the directive. The definition of "Transition plan for climate change mitigation" refers to "actions supporting its transition toward limiting climate change to 1.5 degrees", which is not the language of the directive, or the Paris agreement which calls for "efforts to pursue" limiting warming to 1.5.

E1-1, 15a: It is unclear how the alignment (N.B. instead of "alignment", "compatibility" as agreed in the CSRD text should be maintained) with limiting global warming to 1.5°C should be explained and what methods and tools should be used to assess this alignment. As an alternative, it could be a generic statement on action taken to reduce GHG emissions to atmosphere and for group subsidiaries if it is linked to a certain global group warming limitation target.

E1-1, 15d: "Locked-in GHG emissions" come with high uncertainties, especially in the power sector due to the volatile load factors of the power plants. It is unclear how a meaningful figure can be calculated. The validation of locked-in GHG emissions in key activities by accredited independent third-party organization seems very challenging as they usually rely on expert judgment on complex modelling. Furthermore, it will be applicable mostly to economic activities in high impact industries (per the climate-related technical screening criteria of the EU Taxonomy) so this disclosure should be sector specific and limited to those high impact activities.

It should furthermore be noted that the measure of energy intensity is based on turnover and not industry relevant statistics. For instance, amounts of iron ore extracted or amount of steel / milk or other products. Further, energy intensity would be highly impacted by currency exposures (FX rates) and on price fluctuations. High inflation will stimulate falling energy intensities.

## **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 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 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 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 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**

For part E: The ambition to cover the full value chain will be very challenging and likely impossible for some areas. Data of partners in the value chain are not controlled by the reporting entity, and they cannot be influenced directly. Value chains are likely to cover a large number of partners, with varying impact. Assurance for this information will be challenging. This area could be put on priority 2 in course of the phasing-in discussion.

For part F: We are not aware of any (additional) reporting obligations which address reporting on policies.

On 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 countries with different climate-related laws and regulations. It is doubtful if the required list is useful for the user of sustainability information. It may also run into definition issues regarding what constitutes a “policy”.

It could therefore simply be a narrative explanation of efforts underway. A suggestion is therefore to delete and replace with Disclosure Requirement ESRS E1-3 (climate-related targets the undertaking has adopted) which is a better metric.

## **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 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 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 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**

For part E: It could lead to unnecessary granularity in reporting without adding quality insights for data users. The level of granularity needs to be limited to what really provides an insight. Reporting on all sorts of details will rather obscure the material aspects.

Overarching comment: The transformation is a complex challenge for many sectors and companies, which requires, among other things, innovative efforts. The information requested impacts commercially sensitive information, since other market participants would find details about the exact transformation efforts and, thus, also about innovative achievements. It is also questionable whether detailed information is appropriate from the point of view of competition law.

Regarding additional GHG target disclosure, it is unclear whether this excludes Renewable Energy Certificates. We found there are conflicting statements, and a lack of clarity could result in companies not purchasing or conducting GHG removals. It is therefore important, for the overall calculations, that methodologies are inclusive of all innovations and technologies to help to get to the global target.

E1-3, 24(d): Adjusting the base year retrospectively might lead to inconsistencies due to lack of past information. Climate change mitigation requires innovation, continuous improvement and have a long-time horizon. A five-year rolling average baseline will make it challenging to consistently report progress for companies and hard to compare progress for users of sustainability report.

E1-3, 24: Option to disclose GHG emission reduction targets should also allow for intensity target only (at the moment absolute value and if meaningful intensity value).

E1-3, 24: Exclusion of removals, carbon credits etc. might not be compatible with net zero trajectories for certain sectors. It should be allowed but with the requirement to disclose any inclusion of these instruments.

E1-3, 24: Requirements to adjust base year should be deleted, the standards should not intervene in the core responsibility of the organisation. Alternatively, this should be made a recommendation.

## **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 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**

For part E: Reporting on action plans and resources as suggested may create a large volume of granular information which may not provide a level of additional insights that are balanced with the high demand for internal resources.

Overarching comment: Sensitive information about future transformation with a connection to monetary effects should be avoided, as this affects confidential and sensitive information on entities and may release competition sensitive information, in conflict with competition laws.

Reference to publicly available Climate Transition Action Plans that have already been published by companies should be allowed. Otherwise, the nature and scope of this response could become very large (e.g. existing CTAPs consist of dozens of pages) and potentially includes competitively sensitive and confidential information.

## **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 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 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 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 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**

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 part F: Lack of consistency with EU Labelling Directive

Overarching comment: The representation of energy consumption allows conclusions to be drawn about the consumption functions of production plants. Exposure of sensitive information (e.g., combination with the type of energy source, procurement strategy) should be avoided, however such information is becoming available through different reporting channels like the integrated or sustainability reports or the CDP.

## **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 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 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 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 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**

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 lose focus on priority action fields. An aggregated figure – in alignment with EU Taxonomy – should be sufficient.

It should be noted that the measure of energy intensity is based on turnover and not industry relevant statistics, for instance amounts of iron ore extracted or amount of steel / milk or other products. Further, energy intensity would be highly impacted by currency exposures (FX rates) and on price fluctuations. High inflation will stimulate falling energy intensities

The materiality and benchmarking value of the specific KPI has to be evaluated for all involved sectors.

For part G: Energy consumption is often accounted following GHG protocol and according to that, the baseline and historical figures need to be recalculated if the reporting scope changes. For example, if a corporate group sells one of its units it will have to remove the unit from the historical figures. On the other hand, net turnover is calculated according to IFRS principles, which follows the “frozen books” logics, i.e. historical figures are not recalculated. As the two metrics are created based on different standards, the KPI calculation formula can be viewed as: GHG protocol / IFRS standards. To align this specific KPI with the existing standards, our recommendation is to request the reporters to use the IFRS “frozen books” method for both energy consumption and net turnover in this disclosure.

## **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 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 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 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**

### **DR E1-8 – Scope 2 GHG emissions**

The undertaking shall disclose its gross indirect energy Scope 2 GHG emissions in metric tons of CO<sub>2</sub> 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 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 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 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 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 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**

For part E: Obtaining necessary information for the calculation of location basis emissions that are current and an acceptable accuracy could be a challenge. A widely accepted location-based emission factors registry must be developed, e.g. in accordance with the methodology applied by the Association of Issuing Bodies (AIB) for the calculation of the European Attribute Mix (EAM) (Issuance Based Methodology, RE-DISS II), along with the market based emission factors available per supplier.

## **DR E1-9 – Scope 3 GHG emissions**

The undertaking shall disclose its gross indirect Scope 3 GHG emissions in metric tons of CO<sub>2</sub> 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"/>

**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**

Companies agree to report on significant scope 3 emissions but consider a reference to ISO 14064-1 is necessary as its Annex H mentions clearly the economic and technical limits for such scope 3 reporting. Reporting on significant scope 3 emissions should be implemented in priority where company may act directly to reduce those emissions.

In addition, breakdown of scope 3 emissions should not be made in the mentioned breakdown categories but in the official categories of the GHG protocol and the best practice currently implemented such as reporting through CDP.

There can be significant variability and low comparability across companies for scope 3 emissions and other for metrics mostly derived by estimates. Therefore, safe harbor language is required to recognize the uncertainty and estimated nature of the disclosure and thereby protect reporting companies (that used good faith efforts) against sanctions in the event that the estimates turn out to be inaccurate.

The standard should allow companies to communicate the process they used to derive inputs and any uncertainties that exist due to data constraints.

It is also fundamental that the 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.

Lastly, there are difficulties to have access to data to be collected outside the EU. Reliable data reporting is not always compulsory depending on the countries of settlement. Indications should be accepted when no reliable data is yet available and actions plans to make them accessible should be defined.

## **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 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 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 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 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 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

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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

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

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#### **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 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 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 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 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 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 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**

For part E: The materiality and the benchmarking value of this specific KPI has to be carefully evaluated with respect to its implementation to all involved sectors.

For part G: GHG emissions are accounted as per GHG protocol and according to that, the baseline and historical figures need to be recalculated if the reporting scope changes. For example, if a corporate group sells one of its units it will have to remove the unit from the historical figures. On the other hand, net turnover is calculated according to IFRS principles, which follows the “frozen books” logics, i.e. historical figures are not recalculated. As the two metrics are created based on different standards, the KPI calculation formula can be viewed as: GHG protocol / IFRS standards. In order to align the KPI with the existing standards, our recommendation is to request the reporters to use the IFRS “frozen books” method for both GHG emissions and net turnover in this disclosure.

Overarching comment: 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 and more material indicator.

In any cases, the ratio of emissions divided by turnover does not seem relevant for a intersectoral comparison. It may be used only in sectoral guidelines.

## **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 CO<sub>2</sub> 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 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 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 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 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**

For part F: Guidance on "avoided or removed emissions" is needed. Comparability is difficult. Requirements need to be consistent with other EU reporting requirements, and how GHG removals are treated under EU ETS for instance.

## **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 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 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 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 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 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"/>

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There is no specification provided of what exactly is to be understood by a carbon credit. The explanations in Appendix 1 are not very helpful. Definitions should be aligned with internationally applied guidance.

### **(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 CO<sub>2</sub> 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 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 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 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 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**

For part E: The specific information could be helpful and beneficial for identifying scope 3 emission reduction opportunities and synergies between companies and sectors. However, it is questionable how relevant the “avoided” emissions are compared to the overall reduction – be it absolute or intensity. The effort to collect and assure the data and information may not provide enough additional insight for data users.

## **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 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 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 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 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**

For part E: The suggested financial estimations would require many assumptions that would likely differ from one company to another, and therefore, would not provide the markets with comparable and useful information. However, making these estimations would require a lot of resources in the companies.

For part F: Alignment and harmonization needed with IFRS requirements to ensure comparability should be considered.

Overarching comment: 67a) 'Material risk' needs to be properly defined. This can be difficult to assess given that impacts can vary greatly (e.g. severe weather as a physical risk from climate change is difficult to segregate from severe weather events without climate change).

In any cases, the disclosure to calculate the share of assets at material physical risks should be based on thresholds and complementary methodologies to define more precisely the range of risks and help companies converge in this assessment.

## **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 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 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**

For part E: The suggested financial estimations would require many assumptions that would likely differ from one company to another, and therefore, would not provide the markets with comparable and useful information. However, making these estimations would require a lot of resources in the companies.

For part F: Alignment and harmonization are needed with IFRS requirements to ensure comparability should be considered.

Overarching comment: 71a) Transitional risk assessments could be qualitative, if this regulatory requirement need to provide safe harbor language. There is also a potential definitional issue around what is a transition risk. For example, does this include execution risk?

## **(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 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"/>

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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**

For part E: The suggested financial estimations would require many assumptions that would likely differ from one company to another, and therefore, would not provide the markets with comparable and useful information. However, making these estimations would require additional resources in the companies (i.e., another level of documentation, assurance, etc.).

Overarching comment: ESG-related business opportunities could in some instances be considered competitively sensitive and confidential information. Such information should not automatically be a required disclosure because it could significantly harm the reporting company's ability to compete. A disclosure exemption like financial reporting, which does not require disclosures on business opportunities related with the market size for product innovations. Therefore, a legal guarantee is needed for the reporting company to exempt such sensitive/confidential information from its disclosures, when seen necessary.

## **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 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 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 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 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 G, please explain how you think further alignment could be reached**

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For part E: It is hard to estimate whether costs are reasonable or not when it comes to upcoming regulations (see 20.C).

The cost/benefit ratio will depend on the complexity of the upstream and downstream value chain of the undertaking. It should be considered to align the way how the boundaries along a value chain are set. (See for example 20.D)

Overarching comment: Terminology and boundaries of paragraph 21(b) are unclear and shall be better defined.

While the link of policies to responsible sourcing for the upstream value chain is clear, it is unclear which policies could effectively describe and govern the downstream use of products by consumers.

## **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 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 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 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**

For part E: A number of draft provisions are at a level of granularity which is hardly reasonable for the benefits they bring (e.g. AG 17 or AG 21).

Measurable targets might not be material for a company for pollution in air/water/soil, substances of concern, harmful substances. Add in wording “whatever is material for reporting organization”.

The mere listing of substances, including targets and performances, will not in itself provide insight on the overall sustainability of an entity but may rather lead to misinterpretation.

For part F: As EU legislation on “air” is currently under revision, it is suggested to seek for further alignment.

Point 26 (c): Requiring reporting on measurement processes should not be part of a disclosure requirement on ‘policies’ about spill protection and groundwater protection.

Point 26 (d): details on material costs are competitively sensitive information and reporting should not be required. Also, reporting on such numbers could potentially lead to harm of the reporting company’s competitive situation. It is also unclear how companies shall measure substances of concern, when they are not intentionally included in the products (e.g. very low levels and/or temporary contaminations, potentially happening upstream in the value chain).

## **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 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 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 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 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 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**

For part E: With regard to action plans, disclosure of allocated resources is not always relevant (relevant would be if/how targets are achieved and not, how many people are working on target achievement). Disclosing a long list of numbers (resource plans) is of no added value for stakeholders. Also, it is likely that each company will have its interpretation of such a definition – hence limiting the comparability of such a report.

Overarching comment: While sites operated by the undertaking (e.g. manufacturing plants) are expected to work with key stakeholders in the surrounding communities, these could be dozens or more sites at a consolidated level. It is difficult to see how systemic reporting on stakeholder engagement by site could look like in practice.

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

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### **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 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 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 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 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 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**

For part E: Besides internal data, it is suggested to disclose a massive amount of additional external data, e.g. for contextualization (point 37 on local air qualities and degree of urbanization). This has resource implications which are unreasonable when looking at the actual benefits.

For part I: Missing standards & methodologies (e.g. for pollution of microplastics) as well as the usage of assumptions will significantly decrease comparability between companies.

Paragraph 37 (a) and (b): The contextualization of emissions of an undertaking in relation to the local air quality indices and the degree of urbanisation seems to be less relevant from an undertaking's perspective.

Paragraph 38: The activities taken place outside the European Union are not subject to the Industrial Emission Directive (IED), so it seems not to be relevant to include this under this paragraph.

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

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

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

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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<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 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 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 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 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 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**

For part H: Disclosure requirements listed in (41 b) and (41c) are of high granularity while reporting would require a lot of internal resources with questionable added value for external stakeholders. This disclosure might be in conflict with competition rules. Suggestion to limit reporting to a higher level (Group-wide) and to prioritise information as it might be problematic to provide info on all substances in the portfolio at once. Feasibility to be confirmed.

Overarching comment: Sustainability and hazardous substances are not mutually exclusive (e.g. enzymes). 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.

## **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 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 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 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 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 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**

Point 45: In line with financial accounting rules, companies should report environmental liabilities rather than incident outcomes.

Point 47: double reporting shall be avoided and therefore the standard shall incorporate reporting done by companies suffering of material financial impact due to pollution-related incidents,

Point 48: it can be challenging to separate out precisely what sort of investment or costs have solely been done in the context of a major incident. Also, it is unclear what “major” stands for here. These unclaritys would lead each company to develop its own process on what to include and how to make the estimation. It is therefore questionable that these unclaritys (leading to incomparability of companies) will be useful for the investors.

Point 49: it is unclear whether this is supposed to be a list of projects or aggregated under useful headers.

Overarching comment: The effects of many environmental impacts on the financial position of the company are not well known and there are no commonly acknowledged methodologies around to apply. Impacts can vary greatly depending on local conditions and no common approach to materiality is established.

## **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 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 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 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**

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Assessment of potential impacts would be difficult to implement – guidance is necessary and reporting should be kept at Group level. Additionally, there is already legislation in place for this reporting obligation (for financial information).

Evaluation of potential financial impacts of environmental consequences, risks and opportunities are sometimes difficult to assess quantitatively – guidance is 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 resources<sup>2</sup>.

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

Disclosure requirements include the undertakings relationship with water in its up- and downstream value chain, as per materiality assessment to be done explicitly including suppliers. This would create a huge reporting burden on an organization.

## **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 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 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 type="radio"/>	<input checked="" 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 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**

For part E: Reporting on related targets and water intensity figures, if available, seems meaningful. Given the broad nature of industries, it seems too limiting to request disclosures on specific figures in specific units. Suggestion to allow some flexibility in disclosures.

Overarching comment: There is a need to leave room to disclose other alternative water-related targets that the undertaking may have adopted.

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

For part E: Reporting on resource plans does not necessarily address a target-oriented approach (point 24). It would be more beneficial to report on target setting and target achievement as this would contribute much more to sustainability than detailing resources comprehensively.

## **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 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 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 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 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**

For part E: It is meaningful to disclose water management performance. However, requesting disclosure on entity-level would expand reporting in a disadvantageous manner. Suggestion to disclose on Group-level.

28(d) Discharges for priority substances of concern in tons of kilograms: A defined list of "priority substances of concern" will need to be proposed and aligned as it is a broad category which is unclear (and therefore undermines comparability between companies). The length of the list will accelerate the reporting burden as processes and technologies for testing wastewater beyond the permit requirements may be required across hundreds of sites. In addition, the frequency of testing needs to be defined. We doubt that 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 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**

For part E: Reporting on related targets and water intensity figures, if available, seems meaningful for some sectors. If not available, it requires a huge effort to quantify. Given the broad nature of industries, it seems too limiting to request disclosures on specific figures in specific units. Suggestion to allow some flexibility in disclosures.

Overarching comment: Water intensity performance should reflect the sector specificities, e.g. for some undertaking it may be valuable to also disclose indicators per unit of product. This Disclosure Requirement should align with the respective Disclosure Requirement DR ER-2 referring to targets.

## **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 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 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 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 G, please explain how you think further alignment could be reached**

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For part G: The current EU Taxonomy Regulation does not include criteria with regard to water and marine resources. It would be beneficial for the quality if a linkage between Taxonomy and this EFRAG standard would be made once there is clarity about which criteria would have to be assessed. However, this would not be relevant for all sectors.

Additionally, high granularity in disclosures would not lead to comparable reporting, extending efforts at reporting organizations massively with no added value for data users.

Overarching comment: The metrics laid out in (35b) do not always correlate with the impact on marine resources. Asking the reporting company what impact can result from these measures is based on judgement and could be highly subjective and therefore, not comparable.

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

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### **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 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 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 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 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**

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Assessment of potential financial impacts quantitatively need guidance on estimation approaches as likelihood and grade of impact might vary massively between “educated guess” and real figures, which are confidential. Overall, the disclosure requirement is too broad and generic as effects are not well known or established. As impacts can vary greatly, no common approach to materiality is established.

### **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 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 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**

For part E: There is uncertainty in the amount and availability of the needed information, and it seems the standard envisages a level of detail that makes more sense at project/local level rather than global/group level. This is why there might be high costs in collecting and reporting the information.

Overarching comment: It is very tricky to track and trace the value chain and it is unclear how to disclose the transition plan in downstream value chain. Hence, guidance should be provided on what a transition plan consists of and timeframes for transition (more below).

Disclosures are linked to “targets of no net loss by 2030, net gain from 2030 and full recovery by 2050”. However, such targets are – for the time being – not relevant or referred to either the EU Biodiversity Strategy 2030 or the Post-2020 Global Biodiversity Framework (1st Draft) While baseline and measurement methods also need to be harmonized. Also, they are a very high-level concept that lacks a clear baseline across all measures and locations of biodiversity and ecosystems and leaves ample room for interpretation and concepts like “no” and “full” are very absolute and not appropriate for regulation. So, this connection is misleading and confusing for any undertaking, who will not be possible to disclose information on transition plans, business models and strategies that are compatible with these “undefined” targets. Instead, the undertaking needs to be able to point to specific impacts and conservation targets.

On E4-1 (14): Efforts should be focused on the most material impacts and dependencies on nature. Having a plan for every stage of the value chain is tricky.

On E4-1 (16): Need to consider progress vs a baseline (and not only consider forward-looking plans) as a valid part of a “transition plan” in case that an organization has already been working towards environmental commitments on nature and biodiversity loss for years.

On Approval of transition plans: If an undertaking discloses a policy, targets and action plans in line with official (regulatory) frameworks, this should be sufficient. An in-depth description of external approval from regulatory institutions would exceed the reporting feasibility of companies in highly regulated markets where most biodiversity-related activities are subject to different approval by authorities.

## **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 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 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 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**

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For part E: There is uncertainty in the amount and availability of the needed information, there might be high costs in collecting and reporting the information notably due to the high degree of granularity, which would not add value to stakeholders.

The Value chain disclosure requirements will be tricky as gathering data would exceed the data granularity available in many cases regarding a full coverage upstream and downstream value chain.

For part F: In the sense of materiality, review the rationale behind the disclosure requirement on the SDGs: When reporting on relevant contributions to the SDGs, this should already be implied IF the undertaking has a material contribution here. The SDGs 2, 6, 12, 14 and 15 can support undertakings in the respective criteria, but with regard to the sub-targets of each of these SDGs, please review the applicability especially for corporations active in (mainly) industrial nations. This should be a can-requirement, not a must, for the sake of transparent SDG reporting.

Overarching comment: Information needed to collect and report surely is very sizeable and to for a company to report (especially on downstream in the value chain).

Prioritization is not clear, there is risk that the amount to information to be collected and reported blurs the view and relevance of the information is unclear.

Disclosures should not be linked to “targets of no net loss by 2030, net gain from 2030 and full recovery by 2050”, since they are - for the time being - not relevant or referred to either the EU Biodiversity Strategy 2030 or the Post-2020 Global Biodiversity Framework (1st Draft). Such connection would be misleading and confusing for any undertaking, who will not be able to disclose information on policies that are in line with these “undefined” targets.

## **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 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 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 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"/>

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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**

For part G: Assuming that the standard would require measurable targets in the sense of SMART targets, a quantification of avoidance and minimization of biodiversity and ecosystems lost seems in contrast to the disclosure request. A commitment/policy should be sufficient here, as artificial targets with no measurable base would damage undertakings' credibility.

Overarching comments:

- Prioritization is not clear, there is a risk that the amount of information to be collected and reported blurs the view and relevance of the information is unclear.
- When the widely accepted global biodiversity standard is lacking there is no clear guidance how company can assess the meaning of e.g. planetary boundaries in the company supply chain and scale the organizational targets accordingly.
- Baseline and measurement method needs to be harmonized.
- Unclear reference in paragraph 34, reference is made to paragraph 27 (28 would be logical).

Specifically:

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. This requirement should be removed.

On (35): The list of EU and national policies in scope of this disclosure should be provided vs. having individual companies all compiling this separately for reporting purposes. The detailed reporting requirement should be removed for companies which make a general statement that they comply with all related legislation.

## **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"/>
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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**

For part E: A constraint to material actions should be reviewed: for corporations that might be active in different locations, 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 should be sufficient here, as detailed information on each activity would exceed reporting feasibility.

Overarching comments:

- Again, the information needed to be presented is overwhelming so the relevance may be blurred.
- Prioritization is not clear, there is risk that the amount of information to be collected and reported blurs the view and relevance of the information is unclear.
- Too much information is required – in terms of quantity and details – which will be difficult and time-consuming to collect and disclose, especially for companies with big portfolio of sites where such biodiversity action plans are implemented.
- A general definition of traditional knowledge mentioned in point 41 is needed. Incorporation of traditional knowledge should just be relevant where applicable or not at all since this is too specific to be incorporated.
- Point 42 (d) could add compensation (as an action within the mitigation strategy).
- 37- Information requested under this disclosure requirement (e.g. allocation of resources) may be considered confidential to an organization and should therefore be exempt disclosure. Disclosure of targets, policies, and transition plans should be sufficient to provide insights on commitments.

## **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**

For part G: The choice of metrics should also be subject to materiality.

Overarching comment: The metrics proposed in EFRAG must be consistent with the TNFD metrics, otherwise having different metrics for different disclosure requirements will (i.) create significant amount of additional time and resource, (ii.) create confusion, and (iii.) make it harder to compare company by company, sector by sector when a common set of metrics and targets are needed across all disclosure requirements and mechanisms.

## **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**

E4-6 refers to “condition, extent, and functioning” of ecosystems as a metric, this metrics is very context/local specific, and typically this type of data is not available or likely to be available in the 5–10-year timescale for reporting.

(55.a): This data on population size is generally not available for most species or locations and is unrealistic to request from companies.

(55.b): This 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. Therefore, we recommend removing these unclear metrics.

The metrics proposed in EFRAG must be consistent with the TNFD metrics, otherwise having different metrics for different disclosure requirements will

- (i) create significant amount of additional time and resource,
- (ii) create confusion, and
- (iii) make it harder to compare company by company, sector by sector when a common set of metrics and targets are needed across all disclosure requirements and mechanisms.

## **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**

The metrics proposed in EFRAG must be consistent with the TNFD metrics, otherwise having different metrics for different disclosure requirements will

- (i) create significant amount of additional time and resource,
- (ii) create confusion, and
- (iii) make it harder to compare company by company, sector by sector when a common set of metrics and targets are needed across all disclosure requirements and mechanisms.

## **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 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 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 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 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 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**

For part E:

- Third-party certification schemes are widely used and accepted, so in principle there should be no additional cost from disclosing this information
- However, there might be raw material activities that see no specific third-party certification schemes. Also, proposal to review the requirements of third-party certifications in general: corporations should have standards in place that align with an external framework and are therefore of certifiable quality. For the sake of costs and effort, a pressure to externally certify activities via audits would have significant impact on businesses.

For part G: Linkage to EU taxonomy not (yet) defined – clarification/definition necessary. Also, consider that this would not be sector agnostic.

Overarching comments:

- The term “biodiversity-friendly” is not defined clearly and there is not likely common understanding what is “biodiversity-friendly”
- Point 60 (a) and (b) the volume and percentage of its production and supply of raw material – this could be business information which affects business competition if this is made public.

## **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 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 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**

The metrics proposed in EFRAG must be consistent with the TNFD metrics, otherwise having different metrics for different disclosure requirements will

- (i) create significant amount of additional time and resource,
- (ii) create confusion, and
- (iii) make it harder to compare company by company, sector by sector when a common set of metrics and targets are needed across all disclosure requirements and mechanisms.

## **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 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 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 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**

Overarching comments:

- Financial effects assessment and risk assessment are something that companies usually do.
- However, it is important to keep in mind that potential financial impacts might not be available/feasible for all material aspects. Risk and opportunities should be assessed, but the monetary quantification should be a secondary step in the requirement hierarchy and bear the possibility to provide insight into non-financial effects.
- On (67): The disclosure requirement is broad and generic while effects are not well known or established: Scenarios have not yet been developed for biodiversity and nature loss as is the case for climate. The scope of this disclosure requirement is therefore too broad and it should be removed until better external alignment on scenarios is available or more detailed guidance and standardization of methodology is provided. Anyway, we recommend that this is financial effect of nature related risks only (not on opportunities, impacts and dependences, as they are much more context specific and hard to quantify).

ADDITIONAL COMMENTS FOR ESRS 4

Appendix A: defined terms

Deforestation – It would be advisable to use FAO definition for deforestation  
<https://www.fao.org/3/I8661EN/i8661en.pdf> page 6.

'DEFORESTATION The conversion of forest to other land use independently whether human-induced or not. Explanatory notes 1. Includes permanent reduction of the tree canopy cover below the minimum 10 percent threshold. 2. It includes areas of forest converted to agriculture, pasture, water reservoirs, mining and urban areas. 3. The term specifically excludes areas where the trees have been removed as a result of harvesting or logging, and where the forest is expected to regenerate naturally or with the aid of silvicultural measures. 4. The term also includes areas where, for example, the impact of disturbance, over-utilization or changing environmental conditions affects the forest to an extent that it cannot sustain a canopy cover above the 10 percent threshold.

Key Biodiversity Areas – The Key Biodiversity areas should be defined by national legislation not by NGO

Appendix B: Application guidance

AG 11.C – As biodiversity is local it should be possible to use national databases which in many case are more relevant than global databases

AG.19 The risks mentioned in this point (physical and transition) are extremely wide and could be difficult even for large companies to disclose – therefore almost impossible for small and medium sized enterprises.

AG 26. The timescale used (< 1 year 1-3 years, > 3 years) for speed of impact is too short at least for boreal forest, in order to notice effect change in biodiversity the reasonable scale is 10 years.

AG44-75 – Overall, and reporting against these metrics will require major cost additional resource and capacity needs to both collect the necessary data and also to then report the data consistently, accurately and reliably. The focus of the reporting needs to be on the actions businesses are taking and not back-facing metrics.

AG44-75 – refer to material impact drivers without (i.) providing clarification on what is materials and (ii.) at what level are the material impact driver metrics to be applied (i.e. at each and every location where the impact may occur or at a higher corporate level where the impact has been identified as material by the company).

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

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### **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 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 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 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**

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.

There are certain legal and technical requirements for dangerous goods, health products for example which may face limitations- sector specific approaches.

For part F: To further improve the consistency with EU policies, it is recommended to add a reference to the EU strategy on critical raw materials.

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

Overarching comment: 17 policies - The definition of renewable materials needs to be well understood and meaningful. It is not clear for example what "quickly replenished by ecological cycles" means: Does this translate to aluminum and steel being considered renewable? The use of renewable (plant based) resources has multiple corollary effects on land usage, food, water, etc. How will those be considered? Language like "decouple" and "eliminate" is absolute and imprecise, terms and definitions need to be harmonized.

## **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 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 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 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**

For part E: The timeline there and the need change and activities are stretched and will add on costs.

A detailed description on geographies which are covered by a target shall be avoided. To ease the costs, we would suggest reporting that a target at group level Group-wide.

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.

Overarching comment: With secondary material (AG11), there is postconsumer, postindustrial and postproduction. It is easy to work with postindustrial that is state of the art, it gets tricky (and costly) with the post-consumer and the need of a significant infrastructure to provide the material in the form to the recycling. There is no specification in the reporting right now, and it is also very tricky to track and trace the value chain.

25a targets to eliminate waste: it would be appropriate to determine boundaries in relation to suppliers and customers to avoid double/multiple counting across a value chain and values are allocated to the correct entity. Also, it is important to avoid language like "decouple" and "eliminate" as absolute and imprecise.

## **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 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 checked="" 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**

For part E: A detailed description on geographies which are covered by a target shall be avoided. To ease the costs, we would suggest reporting that a target at group level Group-wide.

It may also be impossible to describe (with a list) stakeholders which are impacted by activities. A general description should be sufficient, and this should be feasible while ease the costs.

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

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

Point (30): In reference to collective actions, it is suggested to disclose in a qualitative way how a reporting entity's resource outflows enables other sectors to decarbonize, improve their resource use or make them more circular.

## **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 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 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 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**

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

Overarching comment: It is suggested to avoid granular consideration of adverse or beneficial other environmental impacts. This is extremely complex, require reporting and administrative efforts which are not necessary considering other existing legislation (e.g. Taxonomy).

Point (33): The metrics appear to partially apply to product and packaging (33.a and 33.b) or only to packaging (33.c). It is suggested to consistently have two separate measures for products and packaging as the materials and related data are managed differently. This would enhance comparability.

## **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 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 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**

For part F: In this section it is important that definitions of durability, reusability etc. are aligned with relevant EN/ISO standards and the upcoming regulation on Ecodesign requirements for sustainable products.

For part G: It is suggested to develop methodologies to quantify and qualify resource outflows.

Overarching comment: This measure does not make sense if it is inclusive of both products and packaging. Down the drain products (e.g. toothpastes) do not fit into the "designed for" definitions and do not relate to this disclosure. This should be a packaging-only measure to be meaningful.

## **DR E5-6 – Waste**

The undertaking shall provide information on its wastes.

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

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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<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 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 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 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 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**

For part F: The EFRAG Exposure Draft misses the post-consumer phase of waste.

It is suggested to use the definitions of “incineration”, “landfilling”, “recycling” and “recovery” included in the waste framework directive.

Material used and waste – a waste balance approach is suggested: get the input streams and the production deducted and the waste that is generated. The waste generated at production facilities and offices is traceable and reported but not always in many fractions and it is difficult to identify what can be done to minimize the waste in detail. It shall be observed that Member States have different starting points when it comes to waste prevention and recycling.

While prevention is not a criterion, it is suggested to add it to report on company’s efforts in terms of waste reduction at and more recycling and circulation of secondary raw materials.

Post-consumer waste is not mentioned - despite the EU legislation on extended producer responsibility, there is no mention of post-consumer waste. This is a missed opportunity as it is unclear what is happening at the end. It is suggested to add some clarifications or take a staged approach (to include it in a second step). Although the reporting is not always possible as per single company, it is necessary to add it to address the PCR need.

## **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 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 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 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**

For part F: E5-7 (Provide information on strategy to optimise resource use in creating circular business models) could be covered in E5-3 (Disclose resource use and circular economy-related action plans and the resources allocated to their implementation).

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

Overarching comment: There is little difference between E 5-5 Resource outflows and E 5-7 Resource use optimization. Suggestion to bring them together, provided that the elements of 44-46 are preserved.

## **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 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 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 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**

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

Overarching comment: Although slightly different, it would be valuable to put E 5-5 resource outflows and E 5-7 resource use optimization together as much interlinked.

Point (47): It is not immediately clear why this disclosure is necessarily, and particularly point 49(a) when E 5-3 already requires disclosing circular economy-related action plans.

## **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 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 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 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 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**

For part E: This requirement goes a step beyond identifying potential material risks/opportunities.

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

Overarching comment: The disclosure requirement is too broad and generic (it is unclear what is required in practice) as effects are not well known or established. The effects of many environmental impacts on the financial position of the company are not well known. Impacts can vary greatly and no common approach to materiality is established.

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

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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 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 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 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**

It is clear from the basis for conclusion that many social matters covered by “additional indicators” under the SFDR PAI are transformed into mandatory disclosure requirements. Demanding descriptions of company policies related to “minimum wage, including consideration of any benchmarking to a “fair” or “living” wage; and access to social security” [AG 12 viii) and ix] however exceed the framework provided by the CSRD.

The description of what the summary of policies shall contain in AG 13-22 is overly granular and goes beyond the CSRD. AG 18-22 would be better suited as recommendations for reporting entities with certain risk of activities in geographical areas where there is an elevated risk of material impacts on own workforce, for example for lack of adequate legislation and enforcement.

## **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 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 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**

For part G: Most social dialogue in companies will happen according to collective agreements and/or EU /national legislation and/or social dialogue outcomes defining the frame for and topics to be part of that dialogue. EFRAG own workforce standards should duly respect this, while ensuring, as for all its sustainability reporting standards, that they are well in line with international ones.

Overarching comment: AG (32-43) are out of proportion. Most of them are articulated as requirements (the undertaking “shall” explain) while AG 47 is articulated as a recommendation on what the undertaking “may” explain. This gives rise to confusion regarding materiality, the rebuttable presumptions etc.

## **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 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 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 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 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 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**

For part E: Reporting obligation 29 (a) – (c) could result in massive reporting effort. A general description would be considered as sufficient to inform interested stakeholders.

For 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.

Overarching comment: There is no explicit basis for this requirement in the CSRD.

The related AGs 44-50 are out of proportion. Explicit reporting requirements are mixed with recommendations on what an entity may explain. This will undermine the materiality assessment.

## **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 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 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**

The mere existence of this disclosure requirement directs undertakings of all sizes and sectors to set de facto prescribed targets which is an unacceptable interference into the freedom to conduct a business. In particular, the granularity of the requirements set in paragraphs 36 and 37 would oblige companies to publish their entire human resources strategy impairing their competitiveness.

It seems quite difficult for companies to give meaningful information on both negative and positive impacts. Reporting on negative or positive requires a norm; is it for example negative or positive impact to have (only?) 50 % women or 10 % disabled of the employed workforce?

## **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 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 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**

Disclosing information required in paras. 39 b) and c) would again require making public crucial parts of the companies' overall HR strategy possibly creating competitive distortions.

It is moreover questionable whether the betterment of workers lives to the extent described in AGs 70 -71 lies in the companies' responsibility (also the suggested correlation between enhanced financial literacy and reduced sexual harassment in the workplace). Generally, these AGs are out of proportion. They need to be reconsidered fundamentally to focus only on what companies are responsible for.

## **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 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 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 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**

This requirement obliges to disclose forward-looking information revealing a lot about a company's strategy and is therefore likely to often be commercially sensitive. Forward-looking information may even be considered as speculation in some cases for publicly listed companies, which is not allowed.

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 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 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 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**

CSRD does not entail any basis for this requirement. On top of that, the multitude of definitions of permanent, temporary, non-guaranteed hours, full-time and part-time employees across different countries dilutes the added value of this requirement aiming at collecting comparable information.

## **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 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 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 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**

There is no basis within the framework of the CSRD for requiring this specific content, e.g. in para. 54. Disclosing these details about key characteristics of non-employee workers touches upon sensitive issues related to the business model.

## **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 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 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 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 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 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**

Disclosing details on training expenses required in para. 57 which are part of the total labour costs interfere in sensitive issues related to the overall business model, with limited added value for investors.

As regards training and skills development indicators, what is crucial is to avail information on whether companies have access to the skills they need in view of growing labour and skills shortages across Europe, and what are the key challenges they face and their related actions to ensure that their workforce's skills are up to date, having regard to the demographic evolution of the company workforce, and to successfully manage the twin digital and green transitions.

## **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"/>
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 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**

It is important to note that issues related 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 compensate financially for the consequences of work-related accidents and illnesses.

In general, the focus lies on preventing harms (not promoting health).

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

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### **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<sup>[1]</sup> 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 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 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 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**

Information required under para. 63 d) is not available to companies, as the exact reason for sick leaves are often not openly stated. The disclosure should respect the difference between a work accident (typically defined as a sudden incident resulting in an injury immediately or within a few days) and work-related illness (which is a result of a long-time impact from the work conditions). It furthermore has to take national definitions into considerations, i.e., in some countries transportation to/from work is considered part of the work hours where it in other countries is considered to be outside work hours.

## **(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 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 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 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 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**

This disclosure requirement is out of proportion and should be deleted.

The status of disclosures designated as “optional” is confusing considering the general principles for materiality and entity-specific disclosures.

## **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"/>
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 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 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 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**

Work-life balance indicators should not be limited to family-related leaves, with a stronger focus on material topics like flexible work options. Companies should be able to provide other eligible content as well, e.g. workplace health promotion programmes, corporate leadership culture, childcare facilities, etc.

## **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 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 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 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 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**

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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**

CSRD does not have any specification as concerns wages including any set benchmarks to detect “fair” (or “decent, adequate, minimum 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 work performed and should therefore not be confused with the role of minimum income; and to support compliance with statutory minimum wage provisions, where appropriate, and other existing provisions in countries where minimum wages are set through collective bargaining or without minimum wage systems, whilst fully respecting the diversity of national wage setting systems.

## **DR S1-15 – Social security eligibility coverage**

The undertaking shall disclose the percentage of its own workers eligible for social security.

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

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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<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 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 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 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 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**

National differences in social security systems undermine data availability and comparability. In general, companies are not - and should not be - in possession of data concerning social security eligibility coverage of the workforce due to the fact that social security in many states is depending on individual interaction between worker and social security system and tax system etc. 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.

## **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 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 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 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 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 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**

This required format for presenting gender-related wage information could be misleading and of low significance and for example concealing that equal wage is paid for equal work at the same employer regardless of gender. The gender-related disproportion in higher paid positions due to reasons external to the company can only be ill-reflected in such a presentation. On top of that, duplication and overlapping reporting obligations would derive under the planned draft pay transparency directive.

## **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 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 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 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 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 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 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 is no basis for this disclosure requirement within the framework of the 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 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 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 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"/>

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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**

Para. 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.

## **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 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 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**

Diverse national legislation including in differences of definitions across the EU and beyond make fulfilling this requirement quasi-impossible. On top of it, requiring employees this kind of personal information is often times prohibited and an invasion of privacy.

## **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 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 checked="" 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 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 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 is no basis for this disclosure requirement within the framework of the CSRD. Moreover, according to EU/national legislative and/or collective bargaining frameworks, objective reasoned differences can be legitimate.

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

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#### **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 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 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 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**

Overarching comment (also valid for DR G2-3, G2-6 and 7): It seems unclear as to what constitutes a complaint or grievance. Moreover, the number of grievances, allegations, internal investigations, or pending legal proceedings is not indicative of real issues that may ultimately be substantiated. These metrics therefore lack relevance but the key issue with these metrics is that high numbers may generally be interpreted as an indication of poor practices, despite it's in many cases a result of a culture that encourages employees and others to speak up without fear of retaliation.

In addition, there is no obvious basis for this requirement in the CSRD. Para. 100 moreover 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.

## **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 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 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 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 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**

Some companies may be applying collective bargaining agreements to organising their labour relations including wage setting but not be legally bound to them. It is not clear to what extent these companies are covered by this disclosure requirement. Preferential treatment of collective bargaining would also contradict with the constitutionally guaranteed negative freedom of association in some countries or national models of social dialogue. The threshold for “significant employment” in a particular country (i.e. at least 50 employees) is too low causing disproportionate burden for employers engaged in cross-border and international activities.

## **DR S1-23 – 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 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 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 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 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**

There is no evident basis for this disclosure requirement within the CSRD. Regarding information demanded such as in para. 107 b), companies in some countries are not allowed to hold on to the data at all. It is a matter of internal affairs, and the information may be business sensitive.

## **DR S1-24 – Social dialogue**

The undertaking shall disclose the extent and functioning of social dialogue with workers' representatives of its own workforce.

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

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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<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 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 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 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 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**

According to Application Guidance 164 this disclosure requirement requests information on the extent of collective representation of own workforce through trade unions and works councils at workplace. Employers in some countries are however not allowed to ask employees this type of personal questions. Data collection in this regard would be scarcely possible and data would become insignificant.

## **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 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 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 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 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**

For part G: The standard generally defines child labor based on an age below 18. The standard should respect national law allowing young adult at the age of 15-18 to be employed in certain jobs with certain requirements to the work environment.

Overarching comment: This disclosure corresponds to Principal Adverse Impact (PAI) no 10 in Table 1 (mandatory indicators) and PAI no 14 in Table 3 (additional voluntary indicators) of Annex 1 of the Delegated Regulation under the Sustainable Finance Disclosure Regulation (SFDR). However, the proposed information requirements go beyond what is required to fulfil the information needs of a financial institution under SFDR.

It is not clear how “severe human rights issues and incidents” is being defined (there is reference to forced labour, human trafficking and child labour as examples, but apparently not as an exhaustive list). There is also reference in the later guidance (AG167) on this disclosure area that this may only apply to ‘confirmed incidents’ but that term does not appear to be used in the actual description of the disclosure required and AG167 itself seems inconsistent as it also refers to e.g. media allegations.

To provide the information needed for investors and other financial undertakings caused by SFDR the granular level of information as specified in paragraphs 113-115 of S1 is not justified. These disclosures cannot be regarded as proportionate, and their relevance can be questioned.

## **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 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 checked="" 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 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 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 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**

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 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 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 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**

## **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 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 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 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 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**

Detailed reporting on workers in the value chain is very challenging due to the very large number which can be included and the lack of control the reporting undertaking in reality will have. BusinessEurope therefore suggest the following alternative approach:

- Brief description of a risk-based approach
- Brief description of the due diligence process being followed to secure workers' rights in the value chain

Number of workers in the value chain will vary significantly depending on the individual reporting company and/or the industry it represents. Large undertakings can have tens of thousands of tier-one suppliers and thus more than a million sub-suppliers in their value chain which again can include several millions of workers in the supply chain divided between a multitude of countries all over the world. Many of the disclosure requirements in ESRS S2 can in reality therefore only be reported in more general ways.

Based on a risk-based approach, certain additional reporting requirements can be added to the respective industry specific standards.

## **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 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 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 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 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**

## **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 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 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**

Most value chain workers are independent entrepreneurs, or employees of contracting companies, and hence there is no thorough transparency for the reporting company about non-employees' actual working conditions. Detailed reporting requirements such as in para. 30 can scarcely be implemented. Reporting entities are not as deeply involved in the value chain work suppliers' HR processes to meet the requirements in paras 31 and 34 (existing and potential future risks).

Such standards in fact go beyond the letter and spirit of the United Nations Guiding Principles (UNGPs) on business and human rights and distort the necessary balance between companies' duty to respect and States' duty to protect human rights. Rather than putting EU companies and sectors at a disadvantage on the basis of their legal economic activity, what is crucial is for the EU and Member States to bring economic diplomatic support to their companies for them to be able to make informed and secure decisions on where to invest and/or operate in third countries. EU and national public authorities have a key role to better inform, advise and support companies on the possible risks involved in view of third countries' human rights track record.

In this, the European External Action Service (EEAS) has an important role to go beyond the existing information it already provides on third countries' human rights profiles. Improved knowledge sharing on human rights violations in third countries is important but not enough. On top of this, the EEAS should help EU companies achieving the necessary legal certainty on human rights related issues as regards their third country operations. The EEAS should design effective tools that are expressly conceived to support EU companies on business and human rights related issues, taking into account the particular needs of small and medium-sized companies. These tools should take into account situations where third country governments in fact do not protect human rights as they should do in line with the UN guiding principles on business and human rights.

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

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#### **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 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 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 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**

On taking action and mitigating risk S2.5/2.6 the guidance seems to implicitly allow for disclosure on the basis of a combination of process and case study – rather than requiring disclosure of every instance while ongoing – but it would be beneficial to state that explicitly, acknowledging the value of confidentiality – potentially for everyone involved (impacted workers, supply chain/value chain partners, reporting companies) – while a process to resolve identified concerns is ongoing.

## **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 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 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**

### **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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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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## **3D. Adequacy of Disclosure Requirements – Governance standards (1/2)**

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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 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**

For part E: Part of G1-1 raises significant doubts on the reasonability of costs for both listed and unlisted firms since it goes beyond the CSRD and represent significant new requirement for unlisted companies. In fact, listed companies are not allowed to benefit from “cross-reference” to reports other than the management report (considered that they are allowed to publish this information in the separate corporate governance report and in the remuneration policy) and unlisted companies would be mandated to report new information (which are not required by the CSRD).

Also, it is not clear how a reporting entity should make reference between the governance section of the sustainability report, and the management report required by the accounting directive. A general reference should be sufficient. Reporting entities should not be required to provide a detailed mutual “map” of the two reports and the legal requirements they are based on. This would be overly burdensome and will add to the overload of information. Also, definitions of “administrative, management and supervisory bodies” appears uncertain: as company law differs among jurisdictions it should be made clear that the disclosure addresses the executive management and the board of directors on group level, if it is a consolidated sustainability report. Group level reports should not include a description of decision-making bodies of individual subsidiaries. The disclosure should only address the executive management and the board of directors on group level, if it is a consolidated sustainability report.

## **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 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 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 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 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 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**

For part E: The information required G1-2 goes beyond the scope of the CSRD, does not reflect GRI standards and basically extends to unlisted firms a mandatory disclosure requirement provided explicitly for listed ones, raising significant doubts on the reasonability of costs for both listed and unlisted firms. In fact, listed companies are not allowed to benefit from “cross-reference” to reports other than the management report (considered that they are allowed to publish this information in the separate corporate governance report and in the remuneration policy) and unlisted companies be mandated to report new information (which are not required by the CSRD).

Overarching comment: The information required in G1-2 is out of the scope of the CSRD (namely its requirement to provide information on “the role of the undertaking’s administrative, management and supervisory bodies”, new art. 19b, par. 2, c, i). Moreover, the whole G1-2 does not seem to reflect international best practices, but rather duplicates the explicit informative requirement set in art. 20 of the Directive 2013/34/UE, which applies to listed companies only and provides for a very detailed informative framework (e.g. not only adoption of the code, but also explanations about the dis-application of any code’s recommendation).

In this light, the information required in G1-2 explicitly extend to unlisted companies subject to the Sustainability Reporting the informative disclosure set in Directive 2013/34/UE. In this sense: i) such information is neither covered by the CSRD nor seems to serve the purpose of the same proposed directive in general; ii) the introduction of such a disclosure requirement would impose a mandatory requirement through a level 2 measure (EC delegated act) that is inconsistent with a level 1 measure (Directive 2013/34 /UE).

Moreover, this information requirement increases uncertainty for unlisted companies (e.g. for the best practices and the codes to be considered).

Accordingly, we suggest reconsidering this disclosure standard altogether.

## **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 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 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 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 items in this section of the standard are not properly in the scope of the CSRD or too prescriptive and could also conflict with national corporate governance model. For example: independency or directors is not a legal requirement for all directors, some of them can perfectly be shareholders as it is the case in family businesses; involvement of stakeholders to our knowledge is not a common practice in European corporate governance (not the same as what happens in co-determination systems which include workers representatives in the board). The board cannot be representative of all stakeholders. 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 of the company). We suggest eliminating this whole disclosure standard altogether or as alternative, we would suggest that all elements find application only if applicable to the individual company (if any).

Furthermore, nominations for boards in unlisted entities follow simpler procedures. This would in particular be the case in smaller and/or family-owned businesses. It should be considered to limit the disclosure requirement to listed entities as well as entities aiming to be listed. Point AG 21 should be deleted, as it does not respect the difference between what is internal and external governance (goes against national corporate law and corporate governance).

## **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 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 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 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 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 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**

For part E: Too much level of detail when diversity is not a static concept when it comes to boards. Diversity can be seen from the perspective of gender, age, ethnicity, nationality but also diversity of background and thought. It would be important to identify whether there are overlaps with the about to be adopted women on boards directive.

Overarching comment: The request to identify and monitor specific targets to be achieved is too prescriptive. Therefore, the information requirement should be eliminated and such information should be provided only on optional basis, following a cost/benefit assessment made by the undertakings. Alternatively, the standard could be simplified requesting information about how the company takes into consideration the diversity issues in the composition of its administrative, management and supervisory bodies.

Multiple questions on compatibility with GDPR arise in this section. 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).

Also, the definition of vulnerable groups is not adapted to boards (for example children, ex-military service people, 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.

G1-4 and the associated AG's should be reconsidered to ensure they respect the authority of the board and shareholders.

## **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 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 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 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**

For part E: The board evaluation is an internal process where there might be a legitimate interest for the company not to disclose (e.g. because of commercially sensitive information, GDPR etc). By requiring to describe the actions taken to address the evaluation this might lead to a breach of a adequate and legitimate confidentiality. The evaluation process seems less relevant to describe in non-listed entities; especially small and/or family-owned businesses. By demanding this level of detail from non-listed companies covered in the CSRD there could be an overreach of the regulatory arm without a proper impact assessment.

Overarching comment: Firstly, the information required in G1-5 is out of the scope of the CSRD and namely its requirement to provide information on “the role of the undertaking’s administrative, management and supervisory bodies” (new art. 19b, par. 2, c, i) and is new also for listed companies which are called to report on the board evaluation practices if they adopt a corporate governance code or to explain their decision not to comply with the code (for the comply or explain principle). Secondly, the contents and the detail of the proposed disclosure requirement goes far beyond the international standards (GRI). This section needs to be reconsidered.

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 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 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 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 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 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**

For part E: The approach adopted for the G1-6 raises significant doubts on the reasonability of costs for both listed and unlisted firms: the former would be prohibited to “cross-reference” to reports other than the management report, while considering that listed companies are allowed to publish this information in the separate remuneration policy; the latter would be mandated to report new information (not required by the CSRD) and has difficult application in the environment of a private company.

Overarching comment: There is already a specific EU directive dedicated to shareholders’ rights and “say on pay (SRD) which this draft standard tends to overlap. A reference should be made explicitly to this directive for listed companies. It also seems to mix up information that should go to shareholders who are entitled to vote on remuneration policies and reports (hence a strong need to have more detailed information to have informed decisions) and information that should go to other stakeholders (less granular). By demanding this level of detail from non-listed companies covered in the CSRD there could be an overreach of the regulators arm without a proper impact assessment for the consequences.

Specific comment on point 32 c: There is an unfortunate confusion of concepts in this point. We are not aware of any corporate governance model where stakeholders and not shareholders have a say on pay of boards. Remuneration is linked to strategy (which already takes into account stakeholders’ views) and companies should be free to decide whether to indicate if and which stakeholders have been heard. It seems inappropriate to assume an equivalence between shareholders who are the owners of a company - to which certain rights like voting in general assemblies are (by law) assigned to - and other stakeholders who have no role in statutory bodies of companies. Also, the management report cannot be confused with a remuneration report. Only the latter is submitted to a vote by shareholders (not stakeholders).

## **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 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 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 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 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**

For part E: For some companies, this information requirement appears to be a duplication: among the others, the company groups that are already subject to specific and detailed requirements with respect to risk management, sufficiently in line with the standards, but also listed companies in general who are required to provide information in their corporate governance reports. These aspects should lead to a broader reference to cross reference or even to envisaging exemptions.

Overarching comment: A better clarification is needed with regard to the risk “for the stakeholder” which seems to provide a very broad and vague definition of impact materiality.

## **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 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 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 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 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**

For part E: For some companies, this information requirement appears to be a duplication: among the others, the company groups that are already subject to specific and detailed requirements with respect to risk management, sufficiently in line with the standards, but also listed companies in general who are required to provide information in their corporate governance reports. Similar to risk management processes (see above G1-7), duplication of information in the sustainability statements and other parts of the annual report should be avoided.

These aspects should lead to a broader reference to cross reference or even to envisaging exemptions.

## **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 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 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 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 “administrative, management and supervisory bodies” needs clarification. The disclosure should address the executive management and the board of directors on group level, if it is a consolidated sustainability report. Decision-making bodies of individual subsidiaries should not be included and detailed in a “group report”. Percentage of age group and any other diversity indicator should be deleted. Overall, we find the level of detail too granular. Overlapping requirements with the new women-on-board-directive should be avoided.

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, they cannot be deemed independent. This disclosure has to be clarified.

G1-9 44 is not applicable in countries like France because it would be contrary to the law. The representatives of employees are not included in the percentage of male and female among board members.

## **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 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 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 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**

For part G: This requirement has no specific relevance in the context of sustainability matters and goes beyond the mandate of article 19b.

Overarching comment: Disclosure regarding Executive Board meetings & attendance rate appears excessive and there also practical concerns eg. how to deal with circular resolutions taken by Boards. The proposed disclosure requirement G1-10 does not appear consistent with the requirement of the CSRD to provide information on “the role of the undertaking’s administrative, management and supervisory bodies” (new art. 19b, par. 2, c, i). In fact, it is aimed to provide factual information about the effective attendance to board meetings: this information is not expressly required by the CSRD and should be eliminated.

## **DR G2-1– Business conduct culture**

The undertaking shall disclose its initiatives to establish, develop and promote a business conduct culture.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the administrative, management and supervisory bodies are involved in forming, monitoring, promoting and assessing the business conduct culture.

**Q127: Please, rate to what extent do you think G2-1 – Business conduct culture**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<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 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 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 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 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**

For part E: We believe that this requirement has no specific relevance in the context of sustainability matters and goes beyond the mandate of article 19b.

Overarching comment: The disclosure requirement is an example of the extensive number of introspective disclosures in the proposed ESRS that only target internal processes and values. It is difficult to see the relevance of the information relating to the actual conduct of the reporting entity. For BusinessEurope to support such disclosure requirement, it is essential to make it workable for companies.

In general, 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 §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 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 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 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 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**

For part G: The adoption of a Policy on the Evaluation of the Internal Control System, which consists of Internal Audit, Compliance and Risk Management functions enhances the application of the corporate governance provisions concerning the non-financial reporting data, which are assessed by the international evaluation Firms.

Overarching comment: This standard would lead to companies having to publish negative information (e.g. 20b) which is very seldom a legal requirement.

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## **3D. Adequacy of Disclosure Requirements – Governance standards (2/2)**

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### **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 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 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 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 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**

For part E: We note the importance of a wider use of incorporation by reference. In this respect, it is important to stress that ESRS 1, paragraph 132, expressly acknowledges that “to promote effective communication and avoid duplications appropriate cross-referencing shall be put in place by the undertaking”. As to information concerning anti-corruption and anti-bribery procedures, they may overlap with other requirements provided by national laws according to which companies are encouraged to adopt specific models. In this case, it should be possible to make reference to such models to comply with the standards.

For Part G: according to GRI Standard 419-1 “Non-compliance with laws and regulations in the social and economic area” in the context of non-financial reporting, the following disclosure could be added:

- any goals/targets for the future related to non-compliance with laws and regulations in the social and economic area.

Overarching comment: Items 24(c)(d)(e) around the treatment of specific allegations seems inappropriately drafted as it risks: harming ongoing investigations; violate secrecy in criminal investigations and violate privacy of those affected/accused of wrongdoing.

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

More specifically, paragraph (c) is irrelevant as the number of reported allegations of corruption or bribery received through whistleblowing channels depends on the activity / countries of activities. Moreover, the number of reports isn't a reliable indicator to assess the effectiveness of the anti-corruption policies (e.g., a low number could mean that the company has a very good policy to prevent the risks, a high number could mean that the company has a trustful reporting mechanism).

§ 24 paragraph (d) is also irrelevant as companies launch investigations only if there have serious grounds to believe that the elements reported are well-founded (i.e., companies will not investigate rumors).

§ 24 (c) and (d) should be deleted.

## **DR G2-4 – Anti-competitive behaviour prevention and detection**

The undertaking shall provide information about its system to prevent and detect, investigate, and respond to allegations or incidents relating to anti-competitive behaviour.

The principle to be followed under this disclosure requirement is to provide transparency on the key procedures of the undertaking to prevent and detect, investigate and respond to allegations or incidents of anti-competitive behaviour.

**Q130: Please, rate to what extent do you think G2-4 – Anti-competitive behaviour prevention and detection**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<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 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 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 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 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**

For part G: according to GRI Standard 206-1 «Legal actions for anti-competitive behavior, anti-trust, and monopoly practices» in the context of non-financial reporting, the following disclosure could be added:

- Appropriate measures (processual and organizational) in case of incidents of anti-competitive behaviour/monopoly practices.

Overarching comment: Anti-competitive behavior is not in the scope defined by CSRD and should not be addressed in this context.

## **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 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 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 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 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 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 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**

For Part G: the adoption of Policy & procedures on the training of the senior management positions and the Board members, who have the overall responsibility for the risk-based approach of the target audience and the contents & regular intervals of the Anti-corruption training Program, enhances the application of the corporate governance provisions on ethical conduct. Nevertheless, there is quite an enormous level of detail which will simply add administrative burden without reasonable added value.

## **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 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 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 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 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**

Perhaps too much detail which is not based on existing legal requirements. Information on internal investigations and pending legal proceedings (until final judgement) is not indicative of real issues that may ultimately be substantiated; thus these metrics lack relevance and may instead falsely lead to an indication of poor practices. Importantly, by requiring some of the information items in the draft standard one might be: harming ongoing investigations; violate secrecy in criminal investigations and violate privacy of those affected /accused of wrongdoing.

## **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 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 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**

Too much detail is required which is not based on existing legal requirements. Information on investigations and pending legal proceedings (until final judgement) is not indicative of real issues that may ultimately be substantiated; thus these metrics lack relevance and may instead falsely lead to an indication of poor practices. Importantly, by requiring some of the information items in the draft standard undertakings may be exposed to: harming ongoing investigations in violation of national laws; violate secrecy in authority or criminal investigations and/or violate privacy rights of those affected/accused of wrongdoing.

Information to be disclosed should be limited to the information already publicly announced, providing the possibility to extend cross referencing to other part of the financial statement (e.g. disclosure on litigation and legal proceeding). This standard should respect the principle of the presumption of innocence.

## **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 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 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 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**

This information is already available at the company register. The standard creates unnecessary overlap of information.

This disclosure requirement is not provided for by CSRD and also extends further than the requirement under GRI and should not be addressed in this context. The issue is covered by a specific EU directive (849 /2018).

## **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 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**

There are too many details required that have nothing to do with sustainability disclosure. Why should a company disclose all its positions regarding policies and regulations? What is the relevance to achieving transparency for investors? Why is it relevant how much it pays to a business organisation? Members of NGOs would not have the same requirements so this would amount to a discrimination regarding business organizations.

As an alternative, companies can refer to the information on advocacy activities contained in the Transparency Register.

We suggest that a strict definition of “lobbying activities” should be used, which should cover only payments toward political parties and associations. We also suggest providing for a materiality threshold.

This disclosure is mostly ruled under codes of conduct of a company or group or code of ethics thus resulting too detailed, granular and not useful. Costs for collecting and consolidating political contributions and lobbying activities might be significant, especially for large groups.

## **DR G2-10 – Payment practices**

The undertaking shall provide information on the payment practices to support transparency about these practices given the importance of timely cash flows to business partners.

The principle to be followed under this disclosure requirement is to provide insights on the contractual payment terms and the average actual payments.

**Q136: Please, rate to what extent do you think G2-10 – Payment practices**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<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 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 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 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**

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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**

This requirement has no ground in CSRD. Freedom of contract should be safeguarded.

In addition, the information required by Paragraph 53 (b) also concerns sensitive aspects from the point of view of market competition.

Also, we do not understand the request on standard contractual payment terms for sales for which not only no inter-enterprise comparability criteria are applicable, but with respect to which specific statutory or regulatory criteria are provided in the regulated sectors.

Finally, the disclosure requirements might be inconsistent with the Late Payment Directive (see. Basis for conclusions, p.11: 'While the Late Payment Directive (Directive 2011/7/EU) determines that a payment is late when the creditor has not been compensated by the end of the negotiated payment period, this may not represent the full extent of unfair payment practices... when determining the relevant disclosure requirements, the most favoured indicators of the respondents in the SME Panel Consultation on Late Payments was used').

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](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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
the fairness of the undertaking's payment practices	<input type="radio"/>	<input type="radio"/>	<input checked="" 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.**

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**If you have any other comments in the form of a document please upload it here**

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## **Contact**

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