



CONSOLIDATED FEEDBACK

# SUMMARY OF STAKEHOLDER INPUTS



JULY 2025

 EFRAG

## ESRS Amendments - Summary of Stakeholder Inputs

### **CONSOLIDATED FEEDBACK - PUBLIC CALL FOR INPUT, OUTREACH EVENTS AND PREPARER INTERVIEWS**

**Disclaimer:** The Consolidated Feedback Report which includes a summary of stakeholder inputs gathered in preparation of the Amended ESRS Exposure Drafts. It does not reflect the position of the European Union or the European Commission DG Financial Stability, Financial Services and Capital Markets Union (DG FISMA).

*This report includes key themes and insights (benefits, challenges and suggestions) received from stakeholders on ESRS as part of the ESRS Set 1 simplification process. Inputs from stakeholders were gathered through a public survey (call for input) in addition to targeted outreach events and workshops and one-to-one interviews with preparers across multiple stakeholder groups.*

#### Objective of report

- 1 This report provides an overview of feedback gathered from a wide range of stakeholders as part of the European Sustainability Reporting Standards (ESRS) simplification process.
- 2 The report includes feedback received from (i) EFRAG's public call for input (ii) targeted outreach events and workshops and (iii) one-to-one interviews with preparers. Targeted outreach and events were held with a wide variety of stakeholders including business associations (BA), national standard setters (NSS), civil society organisations (CSO), auditors and users of sustainability statements.
- 3 This report is split into sections and includes general feedback received on a thematic basis in relation to cross-cutting ESRS 1, viewpoints of individual and stakeholder groups on ESRS and a detailed breakdown of feedback from the public call for input on materiality, ESRS 2 and topical standards. Additional feedback received through the public call for input on other areas such as European Union (EU) Taxonomy and EU datapoints (DPs) are included in Appendix 3.
- 4 Appendix 1 includes an overview of the key stakeholders and stakeholder groups who participated in interviews and targeted outreach events during April and May 2025.
- 5 Appendix 2 is a breakdown of respondents to the public call for input based on the type of stakeholder (preparer, user for example) and key statistics gathered on cross-cutting and topical standards based on the questions included within the survey.
- 6 The following terminology conventions will be used when aggregating detailed comments (public call for input) into a list of clusters (challenges and/or suggestions):

Most: 80% to 100% of respondents
A majority: 50% to 79% of respondents
Some: 20% to 49% of respondents
A few: 1% to 19% of respondents

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## Introduction

### ESRS Simplification - Stakeholder Engagement Process

- 7 The ESRS Simplification Workplan was issued by EFRAG on 25 April 2025.
- 8 Phase 1 of the workplan included gathering input from stakeholders to inform the ESRS Set 1 simplification process through:
- i. Interviews with stakeholders including Preparers, Auditors, Civil Society Organisations (CSO), Users and Academics (April – May 2025);
  - ii. Targeted outreach events and workshops including Preparers, Financial Users (FIs), Auditors, Civil Society Organisations (CSOs), National Standard Setters (NSSs) & Business Associations (BAs) (April – May 2025);
  - iii. A public call for input using an online questionnaire open to all stakeholders to gather structured feedback. (8 April – 7 May 2025); and
  - iv. Collection of proposed amendments to ESRS, received directly from NSSs (May 2025): high-level position paper from the staff of four national standard setters (France, Germany, Spain, Italy), detailed amendments from the French standard setter<sup>1</sup>, two letters from the German Standard Setter<sup>2</sup>.
- 9 During Phase 1 additional inputs were also collated from a review of implementation questions received through EFRAG's Q&A platform (February – March 2025) and benchmarking of sustainability statements prepared by Wave 1 reporting companies (FY 2024) (April – May 2025)

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<sup>1</sup> [Contribution of the French financial centre to the simplification of ESRS | ANC](#)

<sup>2</sup> [Joint DRSC / EFRAG outreach event on September 18, 2025: Public discussion of EFRAG's proposals for the revision of ESRS Set 1 • DRSC Website](#)

## Section 1: General Feedback & ESRS 1

This section includes an overview of general feedback received from stakeholders across ESRS 1 including key benefits of ESRS (generally), challenges and suggestions for improvements from all outreach event reports and online survey feedback.

### 1.1. Feedback on Key Benefits (ESRS Process and Reporting)

- 10 Stakeholders noted the following **key benefits** to adoption of ESRS:
- a) Supporting undertakings to strategically embed sustainability into risk management
  - b) Fostering comparability in reporting with peer organisations
  - c) Creating transparency and trust
  - d) Capital attraction and new business development
  - e) Improvements in governance and engagement from Boards
  - f) Increased collaboration from internal teams across functional areas
  - g) Reinforcement of internal processes for ESG management

## 1.2 Feedback on Key Challenges & Related Suggestions - Horizontal Issues and ESRS 1

- 11 The below table includes general feedback received through the public call for input, in addition to other stakeholder engagement. Materiality is not included below to avoid duplication and has been addressed in detail in Section 2 and Section 3 of this report.

General Areas of Challenge	Summary of Stakeholder Suggestions
<b>Volume of Disclosure Requirements (DRs) and Datapoints (DPs)</b> Too many DRs and DPs, in particular narrative (qualitative) disclosures.	<b>Suggestions</b> to focus in the simplification on (i) deleting DPs (delete DPs in narrative information and focus on quantitative) (ii) reduce and/or delete quantitative DPs with respect to the value chain and (iii) retain only “shall” DPs as well as (iv) deletion and removal of redundant DPs.
<b>Architecture, Structure and Language</b> Complex structure, accessibility and understandability.	<b>Suggestions on Architecture</b> (i) fair presentation and substance of reporting over form and (ii) a move from prescriptive to principles-based reporting in addition to (iii) removing duplications in ESRS 2 and topical standards (iv) simplification of minimum disclosure requirements (MDRs) and policies, actions and targets (PAT) and (v) elimination of complex cross referencing. Aligning with (vi) internal management approaches was also noted as important to consider. <b>Suggestions on Structure</b> include (i) moving of Application Requirements (AR) (mandatory content and all “shall”) into main text body (ii) clear distinctions between mandatory DRs and non-mandatory guidance (iii) move non-mandatory DPs to a separate section and (iv) replace “shall consider” with “shall disclose” or move to guidance. <b>Suggestions on Language</b> include (i) mixed views on objectives: clarification or removal (ii) simplification of language (iii) alignment of language with International Financial Reporting Standards (IFRS) and (iv) improvements in glossary (alphabetical for example).
<b>Presentation &amp; Reporting Detail</b> Length of reports, obscured information, lack of templates / examples / guidance.	<b>Suggestions on Presentation</b> include (i) flexibility on how to structure and sequence a report (ii) templates for presenting key information (iii) provide illustrative examples (iv) standard tables (E,S,G) for quantitative information being presented
<b>Information Materiality</b> Unclear how to apply information materiality, concept not well understood, too many reported DPs, checklist approach by assurance providers.	<b>Suggestions</b> to clarify that (i) ESRS is a <b>Fair Presentation</b> system and (ii) clarify if all DPs are subject to materiality of information in addition to (iii) clarification on whether aggregation / disaggregation of impacts, risks and opportunities (IROs) is permitted, (iv) enhance guidance on qualitative characteristics of information and (v) reinforce role of decision usefulness as a filter for materiality.
<b>Cost of Compliance</b> Disproportionate compliance costs.	<b>Suggestions</b> around <b>Costs of Compliance</b> focus on (i) enabling data gathering without undue cost or effort (ii) introducing reliefs for anticipated financial effects, similar to IFRS S1 and S2.
<b>Data Availability &amp; Other Reliefs</b> Lack of reliable quantitative data including value chain, complexity of reporting for reorganisations.	<b>Suggestions</b> around <b>Data &amp; Other Reliefs</b> focus on (i) reliefs around metrics where data is not sufficient or available and (ii) flexibility in disclosure where an undertaking has acquisitions or disposals during the reporting period and (iii) ability to omit commercially sensitive information or (iv) allow ranges and aggregation instead of exact data

Stakeholder Feedback on Reporting Boundaries and Value Chain	
<b>Reporting Boundaries &amp; Operational Control</b> Treatment of immaterial subsidiaries (not included in financial consolidation) and operational control concept is burdensome.	<b>Suggestions</b> on <i>Reporting Boundaries</i> to (i) permit exclusion of <i>financially immaterial subsidiaries</i> and (ii) align to <i>financial reporting consolidation</i> . <b>Suggestion</b> to (i) remove <i>Operational Control</i> (with opposing view from extractives and other industries where relevant) or (ii) clarify operational control <i>versus IFRS financial control</i> .
<b>Value Chain Assessment &amp; Data</b> Lack of clarity in how to assess severity in value chain and challenge of obtaining data beyond Tier 1.	<b>Suggestions</b> to (i) allow a <i>Risk-Based</i> approach aligning with Corporate Sustainability Due Diligence Directive (CSDDD) (high risk areas and significant suppliers) with (ii) mixed views on limiting to <b>Tier 1</b> , not introducing a limit (institutional investors) regardless of the <i>value chain cap</i> , or limiting to those undertakings that report under the Corporate Sustainability Reporting Directive (CSRD). <b>Suggestions</b> also relate to (i) allowance to <i>omit data</i> where not available or limiting disclosure to where control exists and (ii) allowing use of <i>estimates and industry averages</i> without undue cost and effort.
<b>Value Chain Guidance</b> Additional guidance for global, complex groups and other areas.	<b>Suggestions</b> to provide guidance including on (i) beginning and end of value chain (ii) boundaries at sector level (iii) dealing with global value chains (iv) use of estimates. For horizontal guidance issues outside ESRS 1 suggestions are mixed (provide more guidance vs do not provide more guidance) and simplify and consolidate guidance on value chain.
Stakeholder Feedback on Interoperability	
<b>Consistency across Global Reporting Landscape</b>	<b>Suggestions</b> include (i) increasing <i>interoperability (structure &amp; terminology)</i> (ii) improve consistency in <i>methodologies</i> and <i>calculations</i> (iii) provide interoperability maps (iv) jointly develop guidance with the International Sustainability Standards Board (ISSB) on financial materiality (v) for financial sector remove duplications and align with the European Banking Authority (EBA) and other regulations and (vi) ensure full alignment between Voluntary SME (VSME) and ESRS standards. <b>Mixed views</b> were expressed around using IFRS as a starting point for ESRS.
<b>Maintaining EU Reporting Ambitions and Reporting Principles</b>	<b>Suggestions</b> include (i) alignment and clarity on alignment between <i>Sustainable Finance Disclosures Regulation (SFDR) principle adverse impacts (PAIs)</i> and ESRS DPs (ii) creating cross cutting references between <i>ESRS &amp; CSDDD</i> and (iii) align with other standards and regulations such as Digital Operational Resilience Act (DORA), Renewable Energy Directive (RED II/III) and UN Convention on Rights of Persons with Disabilities in addition to alignment of definitions under national laws for social standards (for example privacy, employment and fair wage laws) in addition to specific reporting standards, methodologies and DPs across all standards.
Other General Feedback	
<b>Other Feedback</b> Need for assurance standards, sector specific guidance and digital reporting.	Additional <b>Suggestions</b> include (i) specify <i>assurance standards</i> to be applied and provide assurance guidelines in addition to providing (ii) <i>sector specific</i> guidance (iii) to review <i>digital developments</i> , such as AI, for <i>tagging and</i> eXtensible Business Reporting Language ( <i>XBRL</i> ) formats.

## Section 2: Stakeholder Viewpoints on ESRS

### 2.1 Feedback Focus From Key Stakeholder Groups

- 12 The below table includes a summary overview of feedback and insights broken down by stakeholder grouping captured from interviews, workshops and outreach events. Details of the number and type of stakeholders, engagement methods and number of events is included in Appendix 1.

	Preparers	Users & Investors	NSS	BA	CSO	Auditors
<b>ESRS 1: General Requirements</b>						
<b>Structure &amp; Presentation</b>	Reports are fragmented, duplicative, and overly long, with audit rules at times preventing cross-referencing to existing information. Need greater structural flexibility to "tell a story" and for clearer, less restrictive cross-referencing rules.	While comparable, the structure causes inefficiencies and duplication. An index would improve navigation. Non-material data requested by third parties should be in a separate section. Qualitative context is essential and should be retained.	Reports are large with repetitive information. Merging recurring blocks of information and using appendices for static data like policies would make the core report more focused and accessible.	Reports are overly complex, voluminous, and costly, which obscures strategic insights and promotes a compliance-driven approach. A better balance of qualitative and quantitative data is needed to allow for more effective storytelling.	Companies tend to report on positive impacts while avoiding negative or uncomfortable topics. There is a need for continued improvement in transparently reporting all sustainability matters.	The sheer volume of material is burdensome and hides the company's strategic story. Auditors suggest focusing on decision-useful information by streamlining extensive narrative requirements like IRO1 and negative confirmations.
<b>Materiality</b>	Compliance is challenged by poor data quality and a complex double materiality assessment (DMA) process that forces disclosure of sensitive data. Suggestions focus on providing guidance. there was strong ambiguity felt around assessing gross	The DMA process lacks guidance, leading to divergent disclosures. Make less valuable DPs voluntary instead of deleting them and retain key disclosures like lobbying and climate transition plans. Guidance on structure	The DMA process is too rigid, and its bottom-up approach is overly detailed, with the gross vs net assessment being a primary conceptual challenge. The process needs simplification to	The DMA is impractical and too granular at the IRO level for strategic board use. Key challenges include excessive documentation and the gross v net assessment, requiring	The DMA is a critical tool for identifying sustainability IROs, and its integrity should be maintained.	Auditing the DMA is challenging. Guidance is needed on applying materiality within corporate groups and assessing stakeholder views and risk mitigation.



	Preparers	Users & Investors	NSS	BA	CSO	Auditors
	versus net impacts. Suggestions focused on clarifying gross v's net impacts, more guidance, clear thresholds and creating sector-specific materiality maps.	was the most significant call from Users, with positive feedback from Investors overall.	focus on substance over the process itself. Allow different level of precision/estimation in the DMA process between own operations and VC (where estimates are necessary)	a streamlined process focused on outcomes.		
<b>Value Chain</b>	Gathering and disaggregating data beyond Tier 1 suppliers is highly challenging including meeting audit expectations. Suggestions were made to clarify non-employee boundaries and if they are part of workers. ESRS is not seen to cover the client part of the supply chain, from a B2B perspective.	Basic principles when aligning with ISSB could be considered, such as disclosures on the extent to which the sustainability statement covers upstream and downstream value chain. While investors deemed it useful to include IROs in the value chain, accuracy assessments are intrinsically challenging where comparable data is not available.	Value chain reporting is burdensome and impractical, with challenges stemming from difficulties in obtaining reliable primary data across complex value chains and applying materiality assessments or setting PATs for external aspects.	Obtaining reliable, consistent and auditable data from the entire value chain remains one of the most significant practical challenges. Identifying limits to the value chain is difficult. Preparers struggle to collaborate with suppliers to receive quality primary data beyond Tier 1. Companies may not have reasonable influence in value chain sustainability-related aspects.	Ambiguity in defining value chain boundaries creates significant uncertainty in materiality assessments and reporting, especially for large, complex undertakings like financial institutions. Clearer boundary definitions and illustrative examples are needed to specify when to conduct detailed screening of specific assets, activities, or parts of the value chain.	Auditors made a strong call for further and more detailed clarity on boundaries of 'own operations' and value chain as it results in calculation difficulties. Various specific recommendations are outlined, but specifics to financial institutions' value chains were repeatedly noted.
<b>Interoperability</b>	Difficulties on misalignment with SFDR, EU Taxonomy and other EU regulations were highlighted, along with	For users and investors ESRS interoperability with global standards like IFRS is essential and still not sufficient.	Need better alignment with other global standards (ISSB, Global Reporting Initiative	There is a strong call for better alignment of ESRS with global standards (like ISSB and GRI), other EU	Greater alignment of CSRD and CSDDD	Better alignment with ISSB and GRI needed along with reporting boundaries e.g., on GHG protocol. Lack of

	Preparers	Users & Investors	NSS	BA	CSO	Auditors
	overlaps with national laws. Streamline and reduce complexity. Increase consistency with Greenhouse Gas (GHG) Protocol on operational and financial aspects are important, and align with global frameworks, particularly IFRS standards.	Mapping with EU regulations like SFDR is also a must. Differing language, calculation methods and inconsistent application creates complexity and reduces data comparability. Significantly increase alignment by adopting identical wording and metrics from ISSB standards to establish a global baseline and reduce reporting burdens.	(GRI, GHG Protocol) and other EU regulations (SFDR, Pillar 3, EU Taxonomy) to reduce duplication and ensure seamless reporting across jurisdictions.	regulations (such as SFDR and CSDDD), and rating agencies to reduce duplication and ensure seamless reporting. This need for interoperability also extends to the alignment between full ESRS and standards for SMEs.		interoperability across global and EU regulations and frameworks creates double work and alignment difficulties.
<b>ESRS 2: General Disclosures</b>						
<b>ESRS 2 &amp; Architecture</b>	Overlaps between governance (GOV) disclosures and existing corporate governance reports are a key issue. Financial institutions specifically require more clarity on value chain boundaries and sector-specific guidance. There is a very common comment on duplication between ESRS 2 and topical standards (for MDRs but	Users value IFRS S1 aligned disclosures (e.g., value chain, remuneration) and support merging critical MDRs and PAT in topical standards. Users also suggest allowing preparers to omit non-material PAT's.	The standards are overly complex due to ambiguous language, granularity, and duplication. Quantifying anticipated financial effects is burdensome, should allow qualitative disclosures or make it voluntary.	Duplication, data availability (especially for the value chain), and challenges with disclosing anticipated financial effects are major concerns. They suggest limiting the value chain to Tier 1 and making financial effects disclosures voluntary.	Strategy & business model (SBM) and IRO disclosures are highly useful, but consolidated governance data is not effective for human rights due diligence. Retaining general MDRs is important for accountability.	Significant duplication and overlaps exist between ESRS 2 and topical standards. More guidance on reporting anticipated financial effects is needed to improve auditability.

	Preparers	Users & Investors	NSS	BA	CSO	Auditors
	<p>also other DRs on GOV, IRO and SBM). There are around small and medium sized enterprises (SME) related metrics, revenue intensity metrics and capital expenditure (CapEx) and operational expenditure (OpEx) which create legal and competitive risks.</p> <p>Suggestions focused on increasing the quality of qualitative/ narrative in revised standards, and incentives for material focused reports.</p>					
<b>Topical: Environment, Social, Governance</b>						
<b>Environment</b>	<p>Preparers highlighted significant challenges across E1–E5 standards, including excessive granularity, immature methodologies (especially for biodiversity and pollution), poor data availability, and overlaps with other frameworks like SFDR and Pillar 3. Methodological issues included the limited relevance of CapEx/OpEx metrics, difficulty linking</p>	<p>Climate transition plans and absolute emissions data are critical and should not be compromised by simplification. Align the GHG boundary with the financial consolidation perimeter.</p>	<p>Unclear baselines, transition plans, short horizon timelines and difficulties applying the operational control concept for GHG boundaries are key issues. There is an unclear relationship with the value chain and poor data availability and quality. Default to financial consolidation and better alignment</p>	<p>Reporting on pollution (specifically chemical) and water external to the EEA is too complex, and data for circularity is immature. Limit pollution reporting to significant items and provide reliefs or phase-ins for circularity reporting.</p>	<p>Reported environmental data is important for advocacy and policymaking. The standards' usability must be improved to ensure high-quality data is disclosed. Recommendations were made on reducing complexity and DPs.</p>	<p>Lack of clarity and consistency for disclosures on scope 3 emissions, pollution, and biodiversity. Suggest standardising definitions and applying an 'undue cost or effort' exemption where methodologies are immature.</p>

	Preparers	Users & Investors	NSS	BA	CSO	Auditors
	actions to outcomes, and lack of standardised formulas. Disclosures are often overly granular, burdensome, and of low decision-usefulness.		with the GHG Protocol.			
<b>Social</b>	The reporting burden is significant due to redundant disclosures, complex cross-country data collection (e.g., wages, health), and unclear definitions. Financial institutions noted that many metrics have low relevance.	No specific feedback	Key concerns include difficulty collecting non-employee data and conflicts with national laws and GDPR for specific metrics like pay ratios and disability data.	The social standards (S1-S4) go far beyond CSRD requirements, with data collection challenged by global legal and cultural disparities.	Companies often treat social topics as "uncomfortable", leading to weak reporting that favours policy over action. Health & safety and social protections must remain a key focus.	There is a need for greater clarity and practicality. Clearer definitions (especially for remuneration), more flexible data presentation (e.g., pay gaps), and applying an 'undue cost and effort' principle are needed.
<b>Governance</b>	Overlaps exist between G1, GOV-1, and other standards, with divergent application of materiality. Financial institutions noted the low decision-usefulness of some metrics, like payment terms (G1-6).	Lobbying disclosures in G1 and general governance topics are important and should be retained.	Reduce the high level of granularity and merge certain elements of G1 with ESRS 2.	Challenges were highlighted with specific disclosures like corporate culture and the definition of SMEs for payment practices (G1-6).	Lobbying disclosures (G1-5) are considered highly useful for research and advocacy purposes.	Align G1 with ESRS 2 GOV and allow more flexibility in reporting metrics related to corporate culture and payment practices (G1-4, G1-6).

## Section 3: Detailed Feedback from Public Call for Input (Materiality)

13 The below table includes a summary overview of feedback and insights from key stakeholder groups (public call for input) in relation to **Materiality**. This is based on a total of 2312 comments received on Materiality from 687 unique respondents.

Frequent Challenges	Related Suggestions
<p><b>Determining Material Matters</b></p> <p>A majority of respondents noted challenges with the process to determine material matters including how to treat actions to prevent and mitigate impacts (gross versus net) and how to define thresholds. In addition, specific challenges around quantifying financial risks and impacts were noted.</p>	<ul style="list-style-type: none"> <li>• Define clearer and more standardised thresholds.</li> <li>• Merge IG 1, FAQs into ESRS guidance documents.</li> <li>• Clarify gross v net approach in ESRS.</li> <li>• Refine stakeholder engagement process for relevance and provide more guidance.</li> <li>• Sector specific guidance for consistency in reporting / threshold setting.</li> <li>• Allow internal risk models for financial materiality (and thresholds).</li> </ul> <p><b>Contrasting View</b></p> <ul style="list-style-type: none"> <li>• DMA is disconnected from core business process and should focus on an inside out view. Financial materiality is more relevant to a business-aligned approach.</li> </ul>
<p><b>Definition of Impacts, Risks and Opportunities</b></p> <p>A majority of respondents noted challenges around definitions and lack of sector specific examples and a direct link to disclosure requirements. Substantial differences across undertakings were also noted with some setting low thresholds for materiality and others adopting broader definitions with excessive variances across reports. A lack of standard criteria for compiling long and short lists and engaging with stakeholders was also noted.</p>	<ul style="list-style-type: none"> <li>• Sectoral guidance and examples and guidance on granularity, number of expected IROs, stakeholder engagement process.</li> <li>• Guidance on scoring of IROs especially in relation to environmental and human rights impacts.</li> <li>• Allow internal risk assessment to be applied as an alternative approach.</li> <li>• Simplified criteria for identification of IROs, limiting the number of IROs for consistency and comparability.</li> <li>• Gross v net level assessment (without mitigation) does not align to how undertakings view impacts/risks, this should be amended.</li> </ul> <p><b>Contrasting View</b></p> <ul style="list-style-type: none"> <li>• Definition of material topics being left to undertakings is positive and allows undertakings flexibility to report what is relevant.</li> </ul>

Frequent Challenges	Related Suggestions
<p><b>Value Chain Requirements for DMA</b></p> <p>Some respondents noted challenges with a full value chain approach in ESRS and difficulties with implementation around this approach, including obtaining data for reporting purposes. This is a particular challenge for financial institutions due to their complex value chain, which creates additional challenges in data collection for reporting.</p>	<ul style="list-style-type: none"> <li>• Clarify boundaries (consider relevance and feasibility), particularly for financial institutions.</li> <li>• Limit scope of value chain, clarify scope for E, simplify for workers in value chain, define more precisely for financial institutions.</li> <li>• Clear guidance on estimations, other guidance and examples &amp; sector specific guidance for financial institutions.</li> <li>• Risk based approach to identification of impacts.</li> </ul>
<p><b>Audit of Double Materiality Assessment (Process &amp; Outcome)</b></p> <p>Some respondents noted challenges around subjectivity in DMA, unclear audit criteria and audit overstretch on process detail (instead of a focus on strategic direction). Auditor influence was also noted as a challenge in relation to DMA in addition to excessive documentation requests, inconsistent interpretation and requirements to justify decisions on immaterial topics.</p>	<ul style="list-style-type: none"> <li>• Clarify objectives, requirements, documentation and principles of sustainability reporting to reduce need for implementation guidance/avoid ambiguity in audit process.</li> <li>• Provide clear and proportional audit guidance &amp; procedures regarding topics, stakeholder engagement and approach (standard audit procedures).</li> <li>• Clarification on DRs for DMA (remove subjectivity, clear criteria) and reduce “shall” DPs.</li> </ul>
<p><b>Information Materiality</b></p> <p>Some respondents noted challenges around the concept of information materiality and that the criteria for applying information materiality is too rigid (cannot appropriately tailor disclosures to user needs). Difficulties with connecting material IROs to required DRs and DPs leading to inconsistencies across reports in disclosures.</p>	<ul style="list-style-type: none"> <li>• Clarify concept of information materiality - concept should apply not just to overall metrics but to specific parts of metric requirements, for example material inflows/ outflows, to allow information to be relevant and reduce burden of reporting.</li> <li>• Clear links / mapping of topics, IROs, DRs and DPs.</li> <li>• Remove entity specific requirements &amp; provide guidance and examples.</li> <li>• Sector specific guidance and sectoral IRO templates / heatmaps.</li> </ul> <p><b>Contrasting View</b></p> <ul style="list-style-type: none"> <li>• Entity specific disclosures are crucial to ESRS reporting to allow completeness.</li> <li>• MDRs are helpful with entity specific reporting.</li> </ul>
<p><b>DMA Process &amp; Outcome Disclosures (IRO-1 &amp; SBM-3)</b></p> <p>Some respondents noted challenges around the level of detail required on the DMA process which creates administrative burden (IRO-1) in particular for smaller undertakings. Misalignment between IRO-1 and SBM-3 was also noted in addition to unclear requirement to report under IRO-1 irrespective of DMA outcome</p>	<ul style="list-style-type: none"> <li>• SBM-3 covers description of IROs, suggestion to remove requirement from IRO-1 to reduce burden.</li> <li>• Centralise and merge requirements between topical ESRS and ESRS 2 (IRO) removing redundancies.</li> <li>• Reduce detail on disclosures</li> <li>• Clear guidance on conducting a DMA and templates/guidance disclosures and structure.</li> </ul> <p><b>Contrasting View</b></p> <ul style="list-style-type: none"> <li>• IRO-1 is well structured and a helpful guide to the DMA process.</li> </ul>

Frequent Challenges	Related Suggestions
<p><b>Aggregation / Disaggregation of Information</b></p> <p>A few respondents commented on challenges around disaggregation of information in particular for large groups (by country, site) which is burdensome. Challenges were also noted around whether disclosures linked to material IROs should be applied at each level including subsidiaries/segments. Market variances were also noted on level of information presented by undertakings.</p>	<ul style="list-style-type: none"> <li>Guidance for (i) large and/or diversified consolidated groups and (ii) on extent to which IRO aggregation possible.</li> <li>Flexibility to disclose information in aggregated form where appropriate or determine appropriate level of disaggregation.</li> <li>Sector specific guidance would be useful for example on sector specific drivers on disaggregation.</li> </ul> <p><b>Contrasting View</b></p> <ul style="list-style-type: none"> <li>Require undertakings to justify aggregation decisions.</li> </ul>
<p><b>Inclusion of Material Information based on Entity Specific Disclosures</b></p> <p>A few respondents commented on challenges regarding the extent and depth of entity specific disclosures required, identification of which topics are entity specific versus ESRS topics and lack of sector guidance and standards</p>	<ul style="list-style-type: none"> <li>Remove requirement for entity specific disclosures</li> <li>Provide concrete examples</li> <li>Sector standards and guidance would be useful</li> </ul>
Noteworthy <i>Isolated Suggestions</i> (public call for input)	
<p>In addition to frequent suggestions across stakeholder groups more noteworthy, isolated suggestions on double materiality overall included (i) further clarification on <b>documentation</b> required (or requirements) around topics not deemed material (ii) a list of <b>guiding questions</b> associated with each topical ESRS to support preparers and (iii) clarification on <b>how to report metrics</b> during a split financial year.</p>	

## Section 4: Detailed Feedback from Public Call for Input (ESRS 2 & Topical Standards)

- 14 This section includes a summary overview of feedback and insights from key stakeholder groups from the public call for input in relation to *ESRS 2 & Topical* disclosures. Each section includes a heatmap showing the number of respondents by DR who provided comments on challenges or suggestions for improvement. Percentages are calculated by comparing respondents who provided such feedback on the DR to total respondents for each standard.
- 15 The total number of unique respondents the public survey who mentioned challenges or suggestions across ESRS 2 and each topical standard (heatmap denominators) are as follows:

STANDARD	ESRS 2	E1	E2	E3	E4	E5	S1	S2	S3	S4	G1
# respondents	310	419	179	100	153	220	321	66	35	38	149
%	38%	51%	22%	12%	19%	27%	39%	8%	4%	5%	18%

### 4.1 ESRS 2: General Disclosures

- 16 The below table provides an overview of the number of unique respondents by DR in ESRS 2 (excluding GOV which is included in section 4.1.4) out of the 310 respondents to the public survey that commented with challenges or suggestions on ESRS 2.

Disclosure Requirement	BP-1	BP-2	IRO-1	IRO-2	SBM-1	SBM-2	SBM-3
# respondents	47	28	80	37	38	52	142
% for BP*, IRO, SBM	15%	9%	26%	12%	12%	17%	46%

\*Basis for Preparation (BP), Impacts, risks & opportunities (IRO)

#### 4.1.1 Basis of Preparation ("BP")

Frequent Challenges	Related Suggestions
<b>BP-1 &amp; BP-2</b> A few respondents noted challenges around aligning reporting scope with financial statements as material impacts are not applicable at times to all entities within the group in addition to challenges in integrating new entities to reporting structures. Other challenges noted include the detail required for mandatory DPs, challenges with data collection (including value chain) and granularity of data requirements to complete	<b>BP-1</b> <ul style="list-style-type: none"> <li>Guidance on DRs relating to consolidation / reporting boundaries.</li> <li>Delete noncritical DPs (BP-1.5).</li> <li>Enhance interoperability on value chain / consolidation (ISSB, GRI).</li> <li>Flexibility on consolidation for new entities (continuing operations initially) and non-material subsidiaries (or matters for smaller subsidiaries).</li> </ul>



disclosures in topical standards. The table of incorporation by reference does not was noted as not adding value. A few respondents also noted the use of estimations for the value chain leads to uncertainly.	<b>BP-2</b> <ul style="list-style-type: none"> <li>• Materiality filtering guided by stakeholder decision-usefulness.</li> <li>• Conditionality based on sector, geography or impact severity.</li> <li>• Simplification / aggregation options – clarify if estimates or ranges are acceptable.</li> <li>• Remove incorporation by reference tables.</li> </ul>
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#### 4.1.2 Strategy & Business Model (“SBM”)

Frequent Challenges	Related Suggestions
<b>SBM-1, SBM-2 &amp; SBM-3</b> A few respondents commented on the generic nature of DPs, lack of definitions and difficulty in understanding requirements (SBM-1) with a need for sectoral guidance. Overlaps in general requirements between ESRS and financial reporting information were also reported. Complaints about level of detail and complexity with regard to disclosures on business model were also noted, along with challenges in data collection for the value chain and overlapping requirements on disclosures across value chain, topical standards and other areas. Lack of guidance and methodologies were noted (SBM-3) by some respondents specifically around anticipated financial effects, definitions (example resilience, opportunities) and level of detail required for large groups in disclosing IROs. In addition, data challenges and disclosure of sensitive/ confidential information was noted.	<b>SBM-1</b> <ul style="list-style-type: none"> <li>• Additional guidance (for example financial sector, revenue types by sector).</li> <li>• Definitions (for example employee, ESRS significant sectors).</li> <li>• Guidance and clarification on value chain detail, how limitations on data affect DMA, limitations on metrics disclosures for value chain.</li> <li>• Value chain disclosures should be voluntary or reported “where practicable”.</li> </ul> <b>SBM-2</b> <ul style="list-style-type: none"> <li>• Clarify distinction between information required in IRO-1 and SBM-2.</li> <li>• Guidance to clarify “categories of stakeholders” and definitions of sustainability matters.</li> <li>• Reduce overlaps by centralising disclosures in ESRS 2 (removing the topical).</li> <li>• Clear guidelines / minimum engagement criteria for stakeholders.</li> </ul> <b>SBM-3</b> <ul style="list-style-type: none"> <li>• Flexibility (or qualitative) / voluntary disclosure on anticipated financial effects.</li> <li>• Guidance on resilience analysis.</li> <li>• Template / example disclosures for IROs with anticipated financial effects.</li> <li>• Move DPs to application guidance.</li> <li>• Remove SBM-3 for financial institutions (specifically related to social).</li> </ul>

#### 4.1.3 Impacts, Risks & Opportunities (“IRO”)

Frequent Challenges	Related Suggestions
<p><b>IRO-1 &amp; IRO-2</b></p> <p>Some respondents noted disclosures with “low value” in IRO-1 (para. 53) and the granularity of certain topical IRO disclosures, creating risk for reporting undertakings (for example site level analysis). Emphasis should be on outcome of the DMA instead of process. In addition to this some respondents noted unclear terms around DMA process and methodology, inconsistent application of materiality thresholds and lack of sectoral guidance. Thresholds around materiality of information and what to disclose when undertakings do not comply with disclosures was also noted. A few respondents noted redundancies between DRs (for example between IRO-2 (2) and IRO- 2 (3)).</p>	<p><b>IRO-1</b></p> <ul style="list-style-type: none"> <li>• Remove DPs (IRO in topical) and reduce granularity (simplify process disclosures on DMA).</li> <li>• Guidance on materiality and thresholds.</li> <li>• Model template illustrating minimum disclosures (please note that diverging views exist in the public feedback about more or less templates needed).</li> </ul> <p><b>IRO-2</b></p> <ul style="list-style-type: none"> <li>• Guidance on compiling list of DRs undertaking complies with.</li> <li>• Guidance on information materiality.</li> <li>• Remove EU DPs list.</li> </ul>
<p><b>Noteworthy Isolated Suggestions (public call for input)</b></p> <p>Reduce granularity of Para. 5 by sticking to most significant information</p>	

## 4.1.4 Governance (“GOV”)

17 The below table provides an overview of the number of respondents by DR in ESRS 2 for GOV-1 to GOV-5 disclosures out of the 134 total respondents to the public survey that commented with challenges or suggestions on GOV.

Disclosure Requirement	GOV-1	GOV-2	GOV-3	GOV-4	GOV-5
# respondents	49	27	28	36	16
% for GOV1 to GOV5	37%	20%	21%	27%	12%

Frequent Challenges	Related Suggestions
<p><b>GOV1, GOV2, GOV3 &amp; GOV5</b></p> <p>Some respondents commented on the level of detail/granularity in narrative disclosures, as well as the duplication of information already reported in other public reports with a varying degree of assurance (e.g. corporate governance statement and remuneration report). A few respondents commented on the misalignment in calculation methodologies (i.e. SFDR indicator, measurement of sustainability related performance) or unclear definitions (e.g. administrative, management and supervisory bodies (“AMSBS”), sustainability expertise). Finally, a few respondents noted the challenges in application of the requirements for less mature companies.</p>	<ul style="list-style-type: none"> <li>• Reduce DPs already included in other reports and standards by removing, merging or making them conditional.</li> <li>• Review provision on incorporation by reference of information in documents with different assurance levels.</li> <li>• Clarify terms, methods and expected level of granularity and/or provide illustrative examples.</li> </ul>
<p><b>GOV 4</b></p> <p>Some respondents commented on GOV-4. Users noted the limited added value as no new information is provided. Other respondents commented on the overlaps with other ESRS 2 disclosures, topical standards as well as misalignment with the international standards and established codes of conduct at company-level. Finally, respondents referred to the unfinished state of regulatory framework on due diligence.</p>	<p><b>Contrasting Views</b></p> <ul style="list-style-type: none"> <li>• Respondents provided to some extent contradictory views. Some suggest deleting the requirements, others suggest making the DP voluntary while others request an alignment with the six phases of due diligence outlined in international instruments and other EU regulation.</li> </ul>

- 18 The below table provides an overview of the number of respondents by DR in ESRS 2 for MDR disclosures out of the 310 total respondents that commented with challenged and suggestions on ESRS 2.

<i>Disclosure Requirement</i>	<b>MDR-P</b>	<b>MDR-A</b>	<b>MDR-T</b>
<i># respondents</i>	82	89	80
<i>% for MDR</i>	26%	29%	26%

Frequent Challenges	Related Suggestions
<p><b>MDR-P</b></p> <p>Some respondents consider the DR too granular and repetitive, leading to reduced clarity and less added value. Some are concerned that the DR overlaps with topical standards leading to duplications. Additionally, some respondents mentioned lack of clarity on the policy scope and the implications of group-level reporting for MDR-P.</p>	<ul style="list-style-type: none"> <li>• Reduce the number of required DPs or make them voluntary such as DPs that require confidential or sensitive information.</li> <li>• Reduce granularity by focus on few core target characteristics showing how the undertaking manages material sustainability matters</li> <li>• Reduce overlaps by centralizing MDRs in ESRS 2 or topic standards and focusing on few core characteristics showing how material sustainability matters are managed</li> <li>• Add guidance incl. precise definitions for terms and clarify the relationship between MDRs, PATs and IROs.</li> </ul>
<p><b>MDR-A</b></p> <p>Some respondents stated that data such as financial data and future projections/estimations are sensitive. In addition, isolating CapEx/OpEx DPs is challenging to disclose. Some respondents noted lack the clarity in terms such as “significant” or “key action” as well as the DR expectations to know when to report (“if applicable” term is vague).</p>	<ul style="list-style-type: none"> <li>• Reduce/remove DPs or make them voluntary, such as specifications on actions and information on (future) CapEx/OpEx.</li> <li>• Apply reliefs for certain DPs such as allowing disclosures on PATs without linking them to IROs, phase-in periods, or DPs on CapEx/OpEx and action plans.</li> <li>• Provide guidance on terms such as “action”, “transition plan”, “significant CapEx/OpEx”, thresholds, financial effects calculation methods, and including sector specific guidance.</li> </ul>
<p><b>MDR-T</b></p> <p>Some respondents noted a lack of clarity regarding expected disclosure when no targets are set and the meaning of “measurable objectives” in relation to the value chain. Furthermore, some respondents stated that DRs are overlapping and that the level of granularity is too high e.g. the requirements on target setting needs simplification. Some respondents stated data is challenging to disclose which limits the number of reportable targets.</p>	<ul style="list-style-type: none"> <li>• Adopt a flexible approach regarding defining what a target is to allow adaptation to companies’ existing practices, allow qualitative targets, allow general progress reporting instead of strict quantification, and provide flexibility in linking to IROs.</li> <li>• Extend the PAT guidance in S1 to other standards and provide guidance on e.g. stakeholder involvement in target setting, what qualifies as “conclusive scientific evidence”.</li> </ul>

	<ul style="list-style-type: none"> <li>Move the DP on stakeholder involvement in target setting from shall to may and reduce the number of DPs in general.</li> </ul>
<b>MDR-M</b> Unclear how the DR applies to entity-specific matters, which lack core metrics.	<ul style="list-style-type: none"> <li>Delete DPs on MDR-M as they do not apply to most entity-specific matters.</li> </ul>

### Noteworthy Isolated Suggestions for ESRS 2 (public call for input)

Suggestions made included streamlining MDRs, SBM, GOV, and IROs content with flexibility or topical specificity, merging ESRS 1 and ESRS 2, or to merge S3+S4 and S1+S2. Others included developing a modular structure with ESRS 2 as base layer and topical standards building on that, to remove lists from ESRS 2 IRO 2, to allow cross referencing between topical standards and ESRS 2 to avoid repetition, to define three cross-cutting standards: ESRS 1 General requirements ESRS 2 General disclosures ESRS 3 PATs. For every DR, label the Application Requirements as Tier 1 (minimum viable), Tier 2 (robust), Tier 3 (leading), to remove MDR and to redefine ESRS 2 as a management standard and keep only ESRS 1 as cross-cutting. Other isolated suggestions included to develop visual representation of links between topical and cross-cutting standards and to reduce total number of ESRS standards.

## 4.2 Environment

### 4.2.1 E1: Climate

19 The below table provides an overview of the number of respondents by DR in E1: *Climate* out of the 419 unique respondents to the public survey with challenges or suggestions on E1.

Disclosure Requirement	GOV-3	E1-1	SBM-3	IRO-1	E1-2	E1-3	E1-4	E1-5	E1-6	E1-7	E1-8	E1-9
# respondents	14	298	32	44	14	46	78	102	222	48	31	150
% of E1	3%	71%	8%	11%	3%	11%	19%	24%	53%	11%	7%	36%

Frequent Challenges	Related Suggestions
<p><b>E1 GOV-3 Integration of sustainability-related performance in incentive schemes</b></p> <p>Challenges related to the decision usefulness (e.g. sustainability progress is not comparable) were flagged by a majority. Some respondents noted an issue with clarity of DPs and interactions (redundancies) within the ESRS (e.g. duplication with ESRS 2 GOV-3).</p>	<ul style="list-style-type: none"> <li>• Removing, or making DPs voluntary.</li> <li>• Providing examples and allowing qualitative explanations.</li> <li>• Merging ESRS 2 paragraph 29 with E1 paragraph 13.</li> </ul>
<p><b>E1-1 Transition plan for climate change mitigation</b></p> <p>A few respondents noted issues with methodology and/or data collection availability (e.g. CapEx and OpEx). A majority raised challenges with clarity, (e.g. 1.5°C compatibility) interactions within the standards or redundancies. Some raised challenges in decision usefulness, auditing or sensitive information. A few respondents flagged challenges with alignment with EU regulation and/or interoperability with third party standards (e.g. CSDDD). A few respondents pointed to other challenges.</p>	<ul style="list-style-type: none"> <li>• Removing obligation to disclose when an undertaking will adopt a climate transition plan, deleting DPs (e.g. requirement for financial institutions (FIs, metrics related to the reporting of CapEx/OpEx).</li> <li>• Allow flexibility and qualitative DPs, such as making the DR optional or specific to certain sectors/assets/activities.</li> <li>• Make locked-in emissions disclosure voluntary and/or conditional, provide guidance on materiality thresholds and definition of transition plan and 1.5° alignment, changing requirement to publish a transition plans (“TP”) to once every 3 years (unless company strategy or circumstances change).</li> <li>• Avoid duplication across E1-1, E1-3, and E1-4, allowing to reference EU Taxonomy reporting.</li> <li>• Align with ISSB and regulatory guidelines that are under development for banks on transition plans (TPs) or linking to Annex Part II of the CSDDD.</li> <li>• Address data challenges and uncertainty in Scope 3 by introducing a confidence rating and recognising model-based calculations.</li> </ul> <p><b>Contrasting View</b></p> <ul style="list-style-type: none"> <li>• Maintain provisions.</li> </ul>
<p><b>E1- SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model</b></p> <p>Some respondents raised issues with methodology and/or data availability for quantification (e.g. resilience analysis). A majority called for clarity on interactions or redundancies within the ESRS (e.g. overlap with IRO-1). Some respondents raised challenges with decision usefulness and assurance or pointed to challenges with disclosing sensitive information (e.g. quantification of financial effects). Alignment with EU regulation and/or interoperability with third party standards (e.g., Pillar 3) was indicated by a few respondents as a challenge.</p>	<ul style="list-style-type: none"> <li>• Remove or make voluntary DPs, reduction of granularity.</li> <li>• Providing guidance; allowing qualitative disclosure on financial effects or make them voluntary; harmonising IRO-1 and E1-1; aligning with IFRS S2.</li> </ul>

Frequent Challenges	Related Suggestions
<p><b>E1 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities</b></p> <p>A few respondents noted issues with methodology and/or data availability for quantification (e.g. monetary amount). A majority raised challenges on interactions or redundancies within ESRS (e.g. SBM-3). Some raised challenges with decision usefulness and assurance or sensitive information issues (e.g. site-specific granularity).</p>	<ul style="list-style-type: none"> <li>• Reduce overall granularity and allowing more flexibility; making scenario and climate risk analysis voluntary; allowing qualitative disclosures.</li> <li>• Clarify climate risk analysis, E1 IROs identification, and AR 11(d), simplifying AR12(a)</li> <li>• Limit scope to own operations.</li> <li>• Reorganise to avoid repetition of risk types/assets for physical/for transition risks, relocating all the materiality assessment requirements into DMA.</li> <li>• Endorse a list for non-materiality justifications (sub-topics/sub-sub).</li> <li>• Avoid a one-size-fits-all approach for sectors with operational constraints.</li> <li>• Use Carbon Risk Real Estate Monitor (CRREM), European Association for Investors in Non-Listed Real Estate Vehicles (INREV), ESG Specialised Data Dissemination Systems (SDDS) or Aligning Real Estate Sustainability Indicators (ARESII) asset-level metrics as a harmonised basis.</li> </ul>
<p><b>E1-2 Policies related to climate change mitigation and adaptation</b></p> <p>Some respondents noted issues with methodology and/or data availability for quantification (e.g. granularity). A majority raised issues with clarity on interactions or redundancies within ESRS (e.g. ESRS 2). Most respondents raised challenges with decision usefulness, assurance or sensitive information. A few emphasised the importance of the disclosure.</p>	<ul style="list-style-type: none"> <li>• Delete paragraph 23/25.</li> <li>• Avoid duplication with other ESRS, (only retaining DPs that are in topical standards).</li> <li>• Provide guidance published in civil society or academia.</li> <li>• Align fully with TCFD recommendations.</li> <li>• Keep requirements on reporting actions and resources in relation to climate change policies.</li> </ul>
<p><b>E1-3 Actions and resources in relation to climate change policies</b></p> <p>Some respondents raised issues with methodology and/or data availability for quantification (e.g. unclear 'significant amounts' and the 'incremental investments'). Some noted challenges on clarity of interactions or redundancies within ESRS (e.g. unclear if investments should be tied to specific decarbonisation lever). A few respondents noted challenges with decision usefulness, assurance or sensitive data (e.g. diverse portfolios making it difficult to individualize the contribution to the emission reductions). A few noted challenges with alignment with EU regulation and/or interoperability with third party standards (e.g. unclear Capex/ Opex relation to Taxonomy).</p>	<ul style="list-style-type: none"> <li>• Delete and/or make DPs voluntary, or conditional; improvement of ESRS without changing the substance.</li> <li>• Enhance EU regulation alignment and interoperability.</li> </ul>

Frequent Challenges	Related Suggestions
<p><b>E1-4 Targets related to climate change mitigation and adaptation</b></p> <p>Some respondents commented on methodology and/or data availability for quantification (e.g. compatibility with a 1.5°C and a corresponding assessment; effects of indirect actions - high uncertainty). Some raised challenges with clarity on interactions or redundancies within ESRS (e.g. Net Zero targets / MDR-T, targets for climate change adaptation). A few noted challenges with decision usefulness, assurance or sensitive data (e.g. baseline year and targets, GHG categories, Scope 3 categories, decarbonisation levers, translation of intensity targets into absolute resulting in confidential business projections). A few raised other challenges with alignment to EU regulation and/or interoperability with third party standards (e.g. possibility to use carbon credits as possible offsets excluded). A few pointed out to other challenges (e.g. limits EU companies' investments in projects generating carbon credits).</p>	<ul style="list-style-type: none"> <li>Delete disclosure on absolute targets, make it sector specific; remove requirement to translate intensity targets to absolute values; remove the requirement on updating the base year every 5 years.</li> <li>Deliver guidance on what compatibility means, merge disclosure with E1-1; as well as align with Science Based Targets Initiative (SBTi) and GHG Protocol.</li> </ul> <p><b>Contrasting Views</b></p> <ul style="list-style-type: none"> <li>Maintain the disclosure provisions and keep the absolute target as critical.</li> </ul>
<p><b>E1-5 Energy consumption and mix</b></p> <p>Some respondents noted methodology and/or data availability for quantification (e.g. referring to scope and terminology, amount of energy generated). Some raised challenges with clarity on interactions or redundancies within ESRS (e.g. may/shall provision, own operations, potential misalignment between the boundary of E1-5 and E1-6). Some indicated challenges with decision usefulness, assurance or sensitive data (e.g. low relevance for FI or other sectors, limited value for net revenue from activities in high climate impact sectors (HCIS)). A few raised were issues about alignment with EU regulation and/or interoperability with third party standards. (e.g. IFRS gross calorific value (vs. net calorific value), key transition KPI tracked by investors, SFDR PAI #10). A few pointed out to other challenges (e.g. need to adapt for banks and financial undertakings, methodology streamlining).</p>	<ul style="list-style-type: none"> <li>Delete or amend the DR 1-5.</li> <li>improve ESRS without changing the substance.</li> <li>Enhance EU regulation alignment and interoperability.</li> <li>Replace the current energy consumption metrics with a single KPI: % fossil energy (absolute MWh per source could remain optional).</li> </ul> <p><b>Contrasting Views:</b></p> <ul style="list-style-type: none"> <li>Keep DPs such as E1-5 37 AR 35, 37a AR 33, 37b, AR 34, 37c, 37ci, 37cii, 37ciii, AR 34, 38a AR 33, 38b AR 33, 38c AR 33, 38d AR 33, 38e AR 33, AR 34, 39.</li> </ul>
<p><b>E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions</b></p> <p>A majority of respondents raised issues of methodology and/or data availability for quantification (e.g. Scope 2 contractual instruments, Scope 3, biogenic emissions, biomethane). A majority raised challenges with decision usefulness, assurance or sensitive information (e.g. sectoral specificities, market vs. location-based approach to Scope 2, GHG intensity). Some respondents noted issues with alignment with EU regulation and/or interoperability with third party standards (e.g. IFRS S2, GHG Protocol, SBTi).</p>	<ul style="list-style-type: none"> <li>Delete DPs or make voluntary.</li> <li>Allowing sector-specific interpretation for Scope 1, 2 and 3; provide simplified methodology and materiality thresholds for Scope 3.</li> <li>On GHG boundary avoid prescriptive GHG boundary approach &amp; limit the boundary</li> <li>Merge Scope 1-3 biogenic emissions into one.</li> <li>Deliver guidance for Scope 2 contractual instruments.</li> <li>Align with GHG Protocol, SBTi and other frameworks for FIs.</li> </ul>



Frequent Challenges	Related Suggestions
	<ul style="list-style-type: none"> <li>Introduce pilot testing/phased-in metrics on financed emissions.</li> <li>Alter GHG intensity denominator.</li> </ul> <p><b>Contrasting Views:</b></p> <ul style="list-style-type: none"> <li>Keep disclosure of Scope 1-3 emissions and Scope 2 contractual instruments; as well as retaining disclosures of emissions from assets under operational control.</li> </ul>
<p><b>E1-7 GHG removals and GHG mitigation projects financed through carbon credits</b></p> <p>A few respondents pointed out to quantification methodology and/or data collection availability (e.g. emerging methodologies). Some respondents raised challenges with clarity on interactions within the standards or redundancies (e.g. interaction with E1-3). Some raised challenge with decision usefulness, assurance or sensitive information (e.g. low relevance for financial institutions). A few respondents commented on alignment with EU regulation and/or interoperability with third party standards (e.g. IFRS). A few others pointed out other challenges (e.g. offsets only for residual emissions).</p>	<ul style="list-style-type: none"> <li>Making DPs voluntary for FI, reducing the scope of disclosure, keeping as conditional; removing DPs; reducing granularity.</li> <li>Clarify definition of GHG neutrality claims, financed GHG removals, overall level of detail in requirements.</li> <li>Move to E1-3, aligning with IFRS S2 and GHGP, make connection to Carbon Renewals and Carbon Farming (CRCF) Regulation and explain difference to voluntary carbon market.</li> </ul> <p><b>Contrasting Views:</b></p> <ul style="list-style-type: none"> <li>Keep 56a, AR 56 - AR 57, 60, 61, 61a, 61b, 61c.</li> </ul>
<p><b>E1-8 Internal carbon pricing</b></p> <p>A few respondents noted challenges with clarity (e.g. concept of internal carbon price) on interactions within the standards or redundancies. A majority noted issues with decision usefulness (e.g. limited relevance or adoption), assurance or sensitive information (e.g. carbon price forecast). A few respondents pointed out other challenges.</p>	<ul style="list-style-type: none"> <li>Delete or amending the provisions.</li> <li>Improve ESRS without changing the substance.</li> <li>Enhance EU regulation alignment and interoperability.</li> </ul>
<p><b>E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities</b></p> <p>A majority of respondents pointed out to quantification methodology and/or data collection availability (e.g. assets by efficiency classes, lacking sector guidance, high levels of uncertainty, necessity to analyse sites). A few noted challenges with clarity (e.g. interpretation of material risk, other terms definition) on interactions within the standards or redundancies. Most respondents challenged decision usefulness, assurance (e.g. forward-looking data) or sensitive information. A few noted challenges with alignment with EU regulation (e.g. Solvency II, EBA) and/or interoperability with third party standards. A few pointed out other challenges.</p>	<ul style="list-style-type: none"> <li>Delete DPs, making them voluntary or sector specific.</li> <li>Provide guidance, examples and methodologies.</li> <li>Align with IFRS S1/S2 provisions and reliefs and existing framework (Pillar 3).</li> </ul> <p><b>Contrasting Views:</b></p> <ul style="list-style-type: none"> <li>Maintain the provision, keeping the DR but extending the provision.</li> </ul>

## 4.2.2 E2: Pollution

20 The below table provides an overview of the number of respondents by DR in E2: *Pollution* out of the 179 unique respondents to the public survey with challenges or suggestions on E2.

<i>Disclosure Requirement</i>	<b>IRO-1</b>	<b>E2-1</b>	<b>E2-2</b>	<b>E2-3</b>	<b>E2-4</b>	<b>E2-5</b>	<b>E2-6</b>
<i># respondents</i>	23	19	15	14	98	88	43
<i>% to E2</i>	13%	11%	8%	8%	55%	49%	24%

Frequent Challenges	Related Suggestions
<p><b>E2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities / E2-11 Policies related to pollution / E2-2 Actions and resources related to pollution / E2-3 Targets related to pollution</b></p> <p>Respondents cited challenges around redundancies with ESRS 2, unclear terminology (e.g., “significant expenditures”, “specific loads”, substances of concern (“SoC”)) and excessive reporting burdens particularly around CapEx and OpEx, site-level data, and value chain disclosures. Respondents also reported challenges accessing reliable data, which complicated reporting. For E2-5, stakeholders warned that the number of substances, overlapping hazard classes, and lack of harmonised definitions could lead to inaccuracies and disproportionate implementation effort.</p> <p>The absence of standardised methodologies also hinders the setting of contextual, evidence-based targets across all requirements.</p>	<ul style="list-style-type: none"> <li>Align ESRS with existing EU regulations (e.g., Regulation on the registration, evaluation, authorisation and restriction of chemicals (REACH) EID), focusing E2-5 on substances of very high concern (SVHCs) only (at least initially), and remove or simplify overlapping disclosures.</li> <li>Clearer definitions, optionality or phase-in of complex disclosures, and methodological guidance to ensure data consistency and comparability.</li> <li>Materiality thresholds and qualitative reporting should be allowed where quantitative data is unavailable or immaterial.</li> </ul>
<p><b>E2-4 Pollution of air, water and soil</b></p> <p>A majority of respondents reported challenges, including the following: questions around the microplastics definition and calculation, a lack of standardisation and guidance, complex disclosures, difficulty in determining materiality of pollution, overlap with existing regulations and other areas of the ESRS, and reporting burden due to disaggregation requirements.</p>	<ul style="list-style-type: none"> <li>Guidance on methodologies (calculations), pollutants definition, clarification on scope/definition for microplastics disclosures (included a minimum size for microplastics).</li> <li>Delete or make DR/DP voluntary.</li> <li>Align with existing EU regulation/industry standards.</li> <li>Transition period/extend phase-in periods until method is available.</li> <li>Focus only on the most significant pollutant.</li> <li>Merge all the relevant table/mass indicators into one table (with narrative if needed).</li> </ul>

Frequent Challenges	Related Suggestions
	<p><b>Contrasting View:</b></p> <ul style="list-style-type: none"> <li>Critical quantitative DPs should be core DRs, data collection is challenging but necessary, pressure-level data preferred over complex models.</li> <li>Refer to the policy brief “Staying Green (2025)”.</li> </ul>
<p><b>E2-5 Substances of concern and substances of very high concern</b></p> <p>Nearly half of respondents cited challenges, including difficulty obtaining reliable SoC/SVHC data, Safety Data Sheets lacking required detail or consistency, non-EU suppliers not providing REACH-aligned information, and quantification methodology and definition (particularly for SoC).</p>	<ul style="list-style-type: none"> <li>Delete or make DR/DP voluntary, change the required scope considering own operations or sector.</li> <li>More guidance, e.g. clear definitions, especially for SoC (how to address double counting).</li> <li>Align or enhance alignment with EU regulations.</li> <li>Phase-in for SoCs.</li> <li>Focus only on substances of very high concern based on volume and actual risk.</li> </ul>
<p><b>E2-6 Anticipated financial effects from material pollution-related risks and opportunities</b></p> <p>Some respondents mentioned the following challenges: the depth of quantitative disclosures detracted from decision-usefulness of the information, there was a risk of revealing confidential or strategic information, estimation difficulty, and a lack of commonly accepted basis or methodology.</p>	<ul style="list-style-type: none"> <li>Delete or make DR/DP voluntary.</li> <li>Introduce simplified general disclosures or allow for narrative or qualitative summaries (merge DR on financial information for E2).</li> <li>More guidance and methodologies.</li> </ul>

#### 4.2.3 E3: Water & Marine Resources

21 The below table provides an overview of the number of respondents by DR in E3: Water and Marine Resources out of the 100 unique respondents to the public survey with challenges or suggestions on E3.

Disclosure Requirement	IRO-1	E3-1	E3-2	E3-3	E3-4	E3-5
# respondents	8	13	8	13	57	36
% to E3	8%	13%	8%	13%	57%	36%

Frequent Challenges	Related Suggestions
<p><b>E3 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities</b></p> <p>A few respondents cited a lack of clarity and insufficient guidance, including the required depth of analysis for multiple sites.</p>	<ul style="list-style-type: none"> <li>• More guidance needed (e.g. stranded assets), including sector-specific guidance.</li> <li>• Make inclusion of value chain data voluntary.</li> <li>• Remove elements overlapping with ESRS 2.</li> </ul>
<p><b>E3-1 Policies related to water and marine resources</b></p> <p>A few respondents highlighted challenges around overlapping elements with ESRS 2 and other ESRS Environmental standards, as well as inconsistent definitions.</p>	<ul style="list-style-type: none"> <li>• Remove elements that overlap with ESRS 2 and other ESRS Environmental standards.</li> <li>• Delete or make certain DPs voluntary (keep only DRs for "water stress," and not "water risk").</li> </ul>
<p><b>E3-2 Actions and resources related to water and marine resources</b></p> <p>One challenge mentioned by a few respondents was the lack of clarity on how the requirements should be covered by MDRs.</p>	<ul style="list-style-type: none"> <li>• Update MDR-A and MDR-T and make Information required by E3 AR 20 less specific.</li> <li>• Disclose based on public dataset references and limit requirement to high water-usage sectors.</li> </ul>
<p><b>E3-3 Targets related to water and marine resources</b></p> <p>A few respondents cited complex issues related to ecological thresholds as posing a challenge.</p>	<ul style="list-style-type: none"> <li>• Reassess requirements on ecological thresholds, including whether to make them voluntary or remove them.</li> <li>• Quantitative targets to focus on water withdrawals rather than only consumption</li> </ul>
<p><b>E3-4 Water consumption</b></p> <p>A majority of respondents on E3 commented on E3-4. The challenges they cited included a lack of standardised quantification methodologies and definitions potentially leading to lack of comparability, certain disclosures not contributing to decision usefulness, overly focused on water consumption instead of water withdrawal, difficulties around future planning, certain data is difficult to collect, inconsistencies with ESRS 2.</p>	<ul style="list-style-type: none"> <li>• Reassess requirements on ecological thresholds, including whether to make them voluntary or remove them.</li> <li>• Better guidance and definitions (e.g. water stress definition), including relevant calculations.</li> <li>• Delete or make certain disclosures voluntary.</li> <li>• Remove specification of Euros as currency in paragraph 29.</li> <li>• Water withdrawal should be made mandatory.</li> <li>• Clarify how to calculate water consumption and the circumstances under which contextual information may be needed, even if water consumption is not significant.</li> </ul> <p><b>Contrasting View:</b></p> <ul style="list-style-type: none"> <li>• Delete certain disclosures: water intensity metrics, water storage, recycled/reused water, volume of non-polluted water discharge, water risk, future planning.</li> </ul>

**E3-5 Anticipated financial effects from material water and marine resources-related risks and opportunities**

Some respondents reported challenges around the complex and burdensome quantification of anticipated financial effects, risks from revealing strategic information, a lack of standardised methodologies, and unclear definitions and guidance. Uncertainty in calculation hurt decision-usefulness.

- Delete or make DR/DP voluntary.
- Align with IFRS.
- Provide calculation methodology of anticipated financial effects and sector-specific guidance.
- Introduce simplified general disclosures or allow narrative or qualitative summaries.

## 4.2.4 E4: Biodiversity &amp; Ecosystems

22 The below table provides an overview of the number of respondents by DR in E4: Biodiversity & Ecosystems out of the 153 unique respondents to the public survey with comments or suggestions on E4.

Disclosure Requirement	IRO-1	SBM-3	E4-1	E4-2	E4-3	E4-4	E4-5	E4-6
# respondents	39	37	49	6	11	17	56	47
% to E4	25%	24%	32%	4%	7%	11%	37%	31%

Frequent Challenges	Related Suggestions
<b>E4 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities</b> Some respondents reported a lack of clarity and decision usefulness, the high burden of data collection and data availability for biodiversity sensitive areas, lack of quantification and standardised methodologies, and redundancy/overlap with other ESRS.	<ul style="list-style-type: none"> <li>• More guidance and alignment of definitions, e.g., guidance on biodiversity equivalent to what the IPCC provides for climate.</li> <li>• Clarify scope or decrease granularity (combine: IRO-1 DP 17a and 17b; 17d, 19a and 19b. Integrate IRO-17e as a standalone).</li> <li>• Enhance interaction with other ESRS / Merge overlapping content with other ESRS.</li> <li>• Making DR/DP voluntary.</li> </ul>
<b>E4 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model</b> Some respondents cited challenges around data collection and availability, broad undefined methodologies and terminology, complexity and lack of usefulness in breakdown of sites affecting biodiversity-sensitive areas, and redundancy / overlap with other ESRS.	<ul style="list-style-type: none"> <li>• Delete or make DR/DP voluntary.</li> <li>• Clarify scope or decrease granularity (merge all SBM-3 into a single narrative on strategic biodiversity commitments).</li> <li>• Add methodology provisions or provide further guidance, incl. on definitions</li> <li>• Merge overlapping content with other ESRS areas.</li> </ul>

Frequent Challenges	Related Suggestions
<p><b>E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model</b></p> <p>A general need for better guidance (particularly for nature-related risk assessment), difficulty quantifying activities affecting biodiversity-sensitive areas, lack of decision-useful DRs and DPs, and redundancy/overlap with other ESRS elements were challenges reported by some respondents.</p>	<ul style="list-style-type: none"> <li>Delete or make DR/DP voluntary.</li> <li>More guidance and alignment with TNFD and SBTi.</li> <li>Clarify scope or reduce granularity (unify all E4-1 disclosures into a single, well-structured section).</li> </ul>
<p><b>E4-2 Policies related to biodiversity and ecosystems</b></p> <p>A few respondents reported challenges for E4-2 around data collection / availability issues, and clarity of DR/DP.</p>	<ul style="list-style-type: none"> <li>Delete or make DR/DP voluntary for taxonomy regulation alignment.</li> <li>More clarification of requirements and definitions.</li> </ul> <p><b>Contrasting View:</b></p> <ul style="list-style-type: none"> <li>Modification to clarify scope (or restrict it to own operations) or decrease granularity.</li> </ul>
<p><b>E4-3 Actions and resources related to biodiversity and ecosystems</b></p> <p>Lack of quantification, methodology, or definition as well as clarity and decision usefulness of DR/DP were mentioned as challenges by a few respondents. Challenges relating to data collection / availability was also an issue.</p>	<ul style="list-style-type: none"> <li>Delete or make DR/DP voluntary.</li> <li>Group all E4-3 (DP 28), including 28b and 28c, under consolidated disclosure.</li> </ul> <p><b>Contrasting View:</b></p> <ul style="list-style-type: none"> <li>Modification to add methodology provisions or to provide further guidance. For example, guidance on key actions and CapEx/OpEx was proposed as well as adding descriptions and examples for “biodiversity offsets”.</li> </ul>
<p><b>E4-4 Targets related to biodiversity and ecosystems</b></p> <p>A few respondents mentioned challenges such as lack of quantification, methodology or definition, clarity and decision-usefulness of DR/DP, data collection / availability issues, excessive detail in DR, and the high burden for companies.</p>	<ul style="list-style-type: none"> <li>Make DR/DP voluntary.</li> <li>Merge E4-4 DPs.</li> </ul>
<p><b>E4-5 Impact metrics related to biodiversity and ecosystems change</b></p> <p>Some respondents mentioned a lack of quantification, methodology, definitions, or clarity as well as decision usefulness as challenges. Data collection / availability challenges were also cited.</p>	<ul style="list-style-type: none"> <li>Delete or make DR/DP voluntary.</li> <li>Clarify scope or decrease granularity, as well as definitions. Align terminology and merge the overlapping disclosures between E4-5 (DP 35) and E4 SBM-3.</li> <li>Merge all the relevant indicators in E4-5 (DP 38) in one table (with combination of narrative if needed).</li> <li>Add methodology provisions or provide further guidance aligned with international standards.</li> </ul>

Frequent Challenges	Related Suggestions
<p><b>E4-6 Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities</b></p> <p>As with E4-5, some respondents mentioned a lack of quantification, methodology, definitions, or clarity as well as decision usefulness as challenges. Data collection / availability challenges were also cited. Overlap with other ESRS standards was an additional challenge mentioned for E4-6.</p>	<ul style="list-style-type: none"> <li>• Delete or make DR/DP voluntary or removing quantitative disclosure.</li> <li>• Provide further guidance or methodologies and clarify scope.</li> <li>• Introduce simplified general disclosures or allow narrative or qualitative summaries</li> <li>• Merge E4-6 (DP 45).</li> </ul>

#### 4.2.5 E5: Circular Economy

23 The below table provides an overview of the number of respondents by DR in E5: Circular Economy out of the 220 unique respondents to the public survey with challenges or suggestions on E5.

Disclosure Requirement	IRO-1	E5-1	E5-2	E5-3	E5-4	E5-5	E5-6
# respondents	19	28	10	24	121	100	52
% to E5	9%	13%	5%	11%	55%	45%	24%

Frequent Challenges	Related Suggestions
<p><b>E5-4 Resource inflows</b></p> <p>A majority of respondents called for clear and standardised quantification methodologies and definitions, as well as data collection and data availability issues. There needs to be a focus on 'decision-usefulness' of the DR (e.g. resources inflows/outflows). There is a need for better interaction with other ESRS and audit related challenges.</p>	<ul style="list-style-type: none"> <li>• More guidance and standardized approaches and terms, and also clarify scope</li> <li>• Make the DR voluntary.</li> <li>• Enhance interaction with other ESRS and align with international standards.</li> <li>• Limit each metric to one condition only for datapoints asking for two conditions (e.g. biological and sustainably sourced criteria in E5-4 para 31 (b)). Limit the requirement to provide information on resource inflows to industrial companies only.</li> </ul> <p><b>Contrasting View:</b></p> <ul style="list-style-type: none"> <li>• Removal of the DR and especially DP E5-4_31 if further guidance is not provided.</li> </ul>
<p><b>E5-5 Resource outflows</b></p> <p>Some respondents highlighted the lack of clarity, a need for clear and standardized quantification methodologies and definitions, as well as data collection and data</p>	<ul style="list-style-type: none"> <li>• Clarification/modification of the DR scope.</li> <li>• Additional guidance with clear definitions.</li> </ul>

Frequent Challenges	Related Suggestions
<p>availability issues (e.g. “total weight of products and technical and biological materials used”). Misalignment with EU regulations was also raised for E5-5.</p>	<ul style="list-style-type: none"> <li>• Delete or make DR/DPs voluntary until clear guidelines are established or make sector specific.</li> <li>• Align with EU Regulations.</li> <li>• Limit the requirement to provide information on resource outflows (DRs E5-5) to industrial companies only.</li> </ul>
<p><b>E5 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities / E5-1 Policies related to resource use and circular economy/ E5-2 Actions and resources related to resource use and circular economy / E5-3 Targets related to resource use and circular economy / E5-6 Anticipated financial effects from material resource use and circular economy-related risks and opportunities</b></p> <p>A few respondents raised issues across these DRs on unclear definitions and expectations across multiple DPs, also highlighting reducing interpretability and comparability. There is a significant data collection burden, data is often unavailable, difficult to collect, or requires disproportionate effort. Some disclosures appear redundant or duplicative. Lack of harmonized methodologies and alignment with existing EU regulations. A few stakeholders questioned whether the disclosures provide meaningful insights for report users.</p>	<ul style="list-style-type: none"> <li>• Reducing overlap with other ESRS elements and making certain disclosure requirements voluntary—particularly where broader standards or methodologies are still lacking.</li> <li>• Need for clearer definitions (e.g. technical and biological materials, virgin renewable resources), more guidance and illustrative examples (e.g. for recyclability), and better alignment with international standards.</li> <li>• Exemptions for businesses where materials or products are not modified.</li> </ul> <p><b>Contrasting Views:</b></p> <ul style="list-style-type: none"> <li>• Some respondents advocated for deletion of E5-3 entirely, arguing it is already sufficiently covered by the MDRs in ESRS 2.</li> <li>• Others proposed deleting specific DPs, such as E5-3_07 (considered redundant), and E5-3_10 to 12 and 26 (considered not relevant).</li> </ul>



### 4.3 Social

#### 4.3.1 S1: Own Workforce

24 The below table provides an overview of the number of respondents by DR in S1: *Own Workforce* out of the 321 total respondents to the public survey with challenges or suggestions on S1.

Disclosure Requirement	S1-1	S1-2	S1-3	S1-4	S1-5	S1-6	S1-7	S1-8	S1-9	S1-10	S1-11	S1-12	S1-13	S1-14	S1-15	S1-16	S1-17
# respondents	49	10	9	20	8	88	78	51	23	98	48	56	60	91	67	132	79
% S1	15%	3%	3%	6%	2%	27%	24%	16%	7%	31%	15%	17%	19%	28%	21%	41%	25%

Frequent Challenges	Related Suggestions
<p><b>S1-6 – Employees</b></p> <p>Some respondents highlighted a lack of clarity on definitions of workers and how to include them in calculations, e.g., percentage of employee turnover.</p>	<ul style="list-style-type: none"> <li>Clarify the scope of the metric ‘employee.’</li> <li>Majority of respondents proposed providing flexibility to use national statistics/ align with accounting standards or workforce type/business model. Clarify the inclusion/exclusion of the inclusion/exclusion of interns and trainees, absentee/passive employees.</li> <li>Include only guaranteed hours employees, based on workforce type/business model.</li> <li>Reduce the number of tables and breakdowns.</li> </ul> <p><b>Contrasting View</b></p> <ul style="list-style-type: none"> <li>10% minimum employment threshold for reporting country-level breakdowns insufficient in large companies.</li> </ul>

Frequent Challenges	Related Suggestions
<p><b>S1-7 – Non-employees</b></p> <p>Some respondents emphasised challenges with data collection with suppliers and service providers such as self-employed contractors where no data required contractually, along with no standard definition of non-employees.</p>	<ul style="list-style-type: none"> <li>Clarify the scope of the metric or make voluntary, unless the category represents a significant part of the workforce.</li> <li>Limit to non-employees accessing sites.</li> <li>Exclude off-site/self-managed service providers.</li> <li>Align with international standards where possible e.g. GRI.</li> </ul> <p><b>Contrasting View</b></p> <ul style="list-style-type: none"> <li>Maintain the requirements especially the need to define non-employees in the company as data currently not available.</li> </ul>
<p><b>S1-10 - Adequate Wages</b></p> <p>Some respondents noted challenges with definitions including top management, other genders and a lack of clarity on disclosure requirements was also of concern.</p>	<ul style="list-style-type: none"> <li>Specify single method for determining adequate wages benchmark for the European Economic Area (EEA) countries.</li> <li>Revise the non-EEA methodology to align with the ILO principles for estimating a living wage &amp; ensure disincentivise use of minimum wage as the benchmark</li> <li>Align with EU legislation.</li> </ul> <p><b>Contrasting View</b></p> <ul style="list-style-type: none"> <li>Make the DR voluntary awaiting the International Labour Organisation's (ILO) reference framework.</li> </ul>
<p><b>S1-14 - Health &amp; Safety</b></p> <p>Challenges include data collection with differing methods across countries, inaccessible data due to privacy/legal constraints, HR systems and misalignment or granularity of data (some respondents). Difficulties with quantification of methodology, lack of clear definitions, along with difficulties due to scope of the DPs that are challenging across countries and outside EEA in particular were also highlighted.</p>	<ul style="list-style-type: none"> <li>Clarify work-related injury, rate of recordable accident and ill health general guidance and provide clearer definitions.</li> <li>Clarify Calculation methodologies, Definitions, Scope including removal of data requirements for:</li> <li>Non-employees to be excluded from: <ul style="list-style-type: none"> <li>Work related ill health and;</li> <li>fatalities because of work-related injuries and work-related ill health.</li> </ul> </li> </ul> <p><b>Contrasting View</b></p> <ul style="list-style-type: none"> <li>Maintain the DPs in ESRS S1-14.</li> </ul>
<p><b>S1-15 – Work Life Balance</b></p> <p>Some respondents called out a lack of clarity on definitions and scope of metric, difficulties with data collection, and alignment with EU legislation and international standards as the main work life balance challenges.</p>	<ul style="list-style-type: none"> <li>Specify percentages of employees for maternity, paternity, and parental carer's leave.</li> </ul>

Frequent Challenges	Related Suggestions
	<ul style="list-style-type: none"> <li>• Include references to authoritative sources such as the ILO for consistency and help undertakings assess whether their policies meet minimum standards across different jurisdictions.</li> </ul> <p><b>Contrasting views</b></p> <ul style="list-style-type: none"> <li>• Limit the scope, remove DPs or make voluntary.</li> </ul>
<p><b>S1-16 – Remuneration Metrics</b></p> <p>Some respondents called out the gender pay gap - calculation methodology, definitions, scope as a difficulty. Total Remuneration Ratio is not currently comparable across companies and therefore is challenging.</p>	<ul style="list-style-type: none"> <li>• Consolidate definitions and application requirements for all wage indicators. Avoid using different explanations for the same term.</li> <li>• Align with EU legislation and international standards e.g. EU Pay Transparency Directive.</li> <li>• Present adjusted ratio only or use the concept defined previously by EFRAG of "countries with a significant number of employees" and disclose the ratio of such countries, or the 5 biggest countries of the company.</li> <li>• Refine calculation methodology to allow more flexibility to: align with remuneration report (average); clarify how to deal with inactive employees, interns, trainees; define 'highest paid individual'.</li> </ul>
<p><b>S1-17 Incidents, complaints and severe human rights impacts</b></p> <p>Lack of clarity on the definition of a human rights violation and DP to be reported—such as total complaints or only substantiated ones are an issue that need clearer guidance for some respondents.</p>	<ul style="list-style-type: none"> <li>• Provide clear definitions and examples for "cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, or the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.</li> <li>• Merge SFDR DPs with ESRS S1-4 or S1-9.</li> <li>• Refine scope of metrics to clarify for example: <ul style="list-style-type: none"> <li>- Only include verified or substantiated complaints in reported data</li> <li>- "fines, penalties, and compensation" reflect cases where the company is liable, excluding things like administrative costs.</li> </ul> </li> </ul>
<p><b>Noteworthy Isolated Suggestions (public call for input)</b></p>	
<p>From S1-6 feedback there was a call to include trainees under the training disclosure (S1-13 by a business association) and a request from two trade unions to maintain reporting requirements for non-employees (S1-7). For S1-10, a preparer suggested adherence to national minimum wage should be sufficient. Similarly, on disclosure S1-14, two trade unions asked for the existing points to be retained, whereas a financial institution suggested limiting the scope of certain sections to specific industries like retail, agriculture, and construction. A preparer recommended setting financial thresholds for reporting fines and penalties for S1-17.</p>	

4.3.2 S2 (Workers in the value chain), S3 (Affected Communities) & S4 (Consumers & End Users)

25 The below table provides an overview of additional comments received across on S2: Workers in the Value Chain, S3: Affected Communities and S4: Consumers and End Users.

Frequent Challenges	Related Suggestions
<b>S2 – Value Chain</b> For the value chain, common issues for some respondents were linkage with CSDDD, data collection and a lack of clarity/guidance needed.	<ul style="list-style-type: none"> <li>• Clarification that CSDDD reporting requirements are fully covered in the standards</li> <li>• Additional guidance.</li> <li>• Rationalise DRs to avoid overlap and reduce DPs.</li> </ul>
<b>S3 – Affected Communities</b> A few respondents noted data collection & documentation, and alignment with EU legislation and international standards are key issues for S3.	<ul style="list-style-type: none"> <li>• Improve definitions and alignment with EU and international standards.</li> <li>• Reduce DPs and address potential scope overlap of AR16 with ESRS S4 sub-subtopics identified.</li> </ul>
<b>S4 – Consumers/End-Users</b> A few respondents also highlighted data collection and documentation as issues for S4.	<ul style="list-style-type: none"> <li>• Potential overlap of AR16 sub-subtopics with ESRS S3 identified and limits of S4-4 para 35.</li> </ul>

## 4.4 Governance

### 4.4.1 G1 (Governance)

26 The below table provides an overview of the number of respondents by DR in G1: Governance out of the 149 unique respondents to the public survey with challenges or suggestions on G1.

Disclosure Requirement	G1-1	G1-2	G1-3	G1-4	G1-5	G1-6
# respondents	36	10	32	16	51	49
% G1	24%	7%	21%	11%	34%	33%

Frequent Challenges	Frequent Suggestions
<p><b>G1-1 Business conduct policies and corporate culture/ G1- 5 Political influence and lobbying activities/ G1-6 Payment practices</b></p> <p>Some respondents commented on overlaps with ESRS 2 and S, with existing compliance reporting and transparency frameworks, and with the DRs of G1 itself. The level of details/granularity in the narrative disclosures and data-related challenges, including availability, unclear definitions, and the lack of guidance on scope and calculation methodologies were also found to be challenging were applicable for G1-1, G1-5 and G1-6. The risk of disclosing sensitive or confidential business information was also flagged. More specific feedback included concerns about the inclusion of animal welfare under G1-1, and questions about why topics such as taxation and cybersecurity were not addressed within the scope of G1.</p>	<ul style="list-style-type: none"> <li>• Reduce narrative DRs or change into voluntary.</li> <li>• Clarify terms, methods, calculations and expected level of granularity and/or provide illustrative examples.</li> <li>• Extend the possibility to omit sensitive/unfavourable information to further items.</li> <li>• Reduce overlap by removing, merging, or making these DPs conditional.</li> <li>• Move animal welfare to ESRS E4 and add tax and cybersecurity as topics to G1.</li> </ul>
Noteworthy Isolated Suggestions (public call for input)	
<p>Isolated noteworthy suggestions on G1 included (i) move G1-1 to ESRS 2; (ii) align the definition of corruption and bribery with the United Nations Convention against Corruption; (iii) better alignment between G1-1, G1-3, G1-4 and existing global frameworks, including the US Foreign Corrupt Practices Act and the UK Bribery Act; (iv) limit G1-5 disclosures to material memberships and significant policy positions, allow narrative rationale for omissions; (v) standardise G1-6 reporting metrics by having a consistent set of KPIs—such as the average payment period in days, the percentage of invoices paid on time, and the percentage of SME suppliers paid within agreed terms—to enhance comparability; (vi) Refocus on material late payments, considering the local context and legislation, and allow country-level disaggregation. A contrasting view of not is to remove animal welfare from ESRS altogether.</p>	

## Appendices

### Appendix 1: Key Statistics: Stakeholder Inputs

27 Targeted outreach sessions were held with stakeholders in workshops and interviews from March through May 2025.

Stakeholder	Engagement Format	Events (n)	Participating Organisations	Individual Participants
Preparer	Interviews	40	41	120
Auditor	Interviews	7	7	21
National Standard Setter / Accountancy Body	Workshops & Submissions	6	271	271
Business Association	Workshops	9	280	280
Civil Society (Trade union, NGO, academia)	Workshops	5	29	30
User of Sustainability Statements (SO & investors)	Workshop	1	7	7
<b>TOTAL</b>		<b>68</b>	<b>635</b>	<b>729</b>

#### Targeted Outreach Respondent Organisations:

##### Preparer Participants:

Organisation	Country / Region	Outreach Format
AB InBev	Belgium	1 to 1
Allianz	Germany	1 to 1
Amundi	France	1 to 1
Assa Abloy	Sweden	1 to 1
Axa	France	1 to 1
Barco	Belgium	Group
Basf	Germany	1 to 1
BMW	Germany	1 to 1
BNP Paribas	France	1 to 1
Boryszew	Poland	1 to 1
COPENHAGEN AIRPORTS A/S	Denmark	1 to 1
Dankse Bank	Denmark	1 to 1
DHL	Germany	1 to 1

Organisation	Country / Region	Outreach Format
Helleniq Energy Holdings S.A.	Greece	1 to 1
Inditex	Spain	1 to 1
Intesa SanPaolo	Italy	1 to 1
Maersk	Denmark	1 to 1
Neste	Finland	1 to 1
NEUCA	Poland	1 to 1
Novo Nordisk	Denmark	1 to 1
Orsted	Denmark	1 to 1
Philips	Netherlands	1 to 1
POLENERGIA S.A.	Poland	1 to 1
Rabobank	Netherlands	1 to 1
Repsol	Spain	1 to 1
SAFRAN	France	1 to 1

Organisation	Country / Region	Outreach Format
DWS	Germany	1 to 1
EDP	Portugal	1 to 1
ENAGAS, SA	Spain	1 to 1
ENAV	Italy	1 to 1
Eni	Italy	1 to 1
Generali	Italy	1 to 1
Hannover RE	Germany	1 to 1
Heineken	Netherlands	1 to 1

Organisation	Country / Region	Outreach Format
Sanofi	France	1 to 1
Schneider Electric	France	1 to 1
TAG AG	Germany	1 to 1
Telefonica	Spain	1 to 1
TRYG	Denmark	1 to 1
Van de Velde Group	Belgium	Group
VW	Germany	1 to 1

*Business Associations Participants:*

Organisation	Country / Region	Outreach Format
Business Europe	Europe	Workshop
CSR Europe	Europe	Workshop
EBF, ESBG, EACB	Europe	Workshop
EFAA	Europe	Workshop
ERT	Europe	Workshop
ESMA	Europe	Workshop
European Issuers	Europe	Workshop
Insurance Europe	Europe	Workshop
WBCSD	Europe	Workshop

*Auditor Participants:*

Organisation	Country / Region	Outreach Format
BDO	Global	Workshop
Deloitte	Global	Workshop
EY	Global	Workshop
Grant Thornton	Global	Workshop
KPMG	Global	Workshop
Mazars	Global	Workshop
PWC	Global	Workshop

*Civil Society Organisation Participants:*

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Organisation	Country / Region	Outreach Format
BirdLife International	Global	Workshop
Cambridge Institute for Sustainability Leadership	Global	Workshop
Capitals Coalition	Global	Workshop
CDP	Global	Workshop
CFDT Cadres, Eurocadres	France	Workshop
CGIL	Italy	Workshop
ETUC	Europe	Workshop
European Works Council	Europe	Workshop
GRI	Global	Workshop
GSG Impact	Global	Workshop
Hans Böckler Foundation	Germany	Workshop
Human Rights International Corner	Global	Workshop
IFRS	Global	Workshop
IFVI	Global	Workshop
IndustriAll Europe	Europe	Workshop
International Transport Workers' Federation	Global	Workshop
KBC European Work Council	Europe	Workshop
Stockholm Environment Institute	Global	Workshop
SVI	Global	Workshop
TNFD	Global	Workshop
Transparency International	Global	Workshop
UNDP	Global	Workshop
UNEP FI	Global	Workshop
UNEP-WCMC	Global	Workshop
UNGC	Global	Workshop
UNPRI	Global	Workshop
Works Council Region West	Germany	Workshop
WWF	Europe	Workshop

National Standard Setter & Accountancy Body Participants

Organisation	Country / Region	Outreach Format
ANC	France	In-person



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Confederation of Danish Industries	Denmark	Online (2 sessions)
DASB	Netherlands	In-person
DRSC	Germany	Online
ICAC	Spain	In-person
OIC	Italy	In-person

*User Participants*

Organisation	Country / Region	Outreach Format
Assogestion	Italy	Interview
CDP	UK	Interview
EcoVadis	France	Interview
EFAMA	Belgium	Interview
Ethifinance	France	Interview
Eurosif	Belgium	Interview
Fidelity	UK	Interview
IIGCC	UK	Interview
ISS STOXX	UK	Interview
MSCI	UK	Interview
Norges IM	Norway	Interview
Notorio	Poland	Interview
PRI	Global	Workshop

## Appendix 2: Key Statistic: Public call for input

28 There were 823 respondents to the public call for input. Geographically, responses came from 38 countries, with some responding from a European or global viewpoint.

### Respondents by Stakeholder Category:

Stakeholder Category	Responses
Academic / Research Institution	14
Auditor	27
Business Association	114
Consultant	101
Financial Institution	84
Individual Submission	38
National Standard Setter	11
National / European Authority	8
Ngo	39
Preparer	358
Trade Union	12
User (Data Provider, NGO, Rating Agency)	17
<b>ALL RESPONDENTS</b>	<b>823</b>

**Respondents by Geography:**

Geography	Respondents		Geography	Respondents
Europe	17		Latvia	3
Global	14		Liechtenstein	1
Austria	34		Lithuania	1
Belgium	85		Luxembourg	2
Bulgaria	4		Malta	1
Canada	5		Netherlands	50
Croatia	6		Norway	14
Cyprus	1		Poland	31
Czech Republic	7		Romania	6
Denmark	39		Scotland	1
Estonia	5		Singapore	1
Finland	22		Slovakia	1
France	80		South Korea	1
Germany	180		Spain	20
Greece	3		Sweden	21
Hungary	2		Switzerland	20
India	3		Taiwan	1
Ireland	12		Ukraine	1
Italy	33		United Kingdom	41
Japan	5		United States	49

**Respondents per ESRS (out of 823 total respondents):**

<i>STANDARD</i>	<b>ESRS 1</b>	<b>ESRS 2</b>	<b>E1</b>	<b>E2</b>	<b>E3</b>	<b>E4</b>	<b>E5</b>	<b>S1</b>	<b>S2</b>	<b>S3</b>	<b>S4</b>	<b>G1</b>
<i># respondents</i>	261	310	419	179	100	153	220	321	66	35	38	149
<i>%</i>	32%	38%	51%	22%	12%	19%	27%	39%	8%	4%	5%	18%

## Public Input Respondent Organisations:

Test one	ALTIS Advisory SB Srl	Assoholding	BMW AG
3R Building Sustainability	ALTO	Atenor	BNG Bank
A.P. Møller - Maersk	AMAG Austria Metall AG	ATH	board management
A1 Telekom Austria Group	American Chamber of Commerce to the EU	Atlas Copco Group	Boozt
A2A S.p.A.	Americans for Financial Reform Education Fund	Atlas Metrics	BOUYGUES
ABB Ltd	AMICE	ATP	Boyanov & Co.
ACA	ANDRITZ AG (GROUP)	AUFF	BP p.l.c.
ACCA	ANSA - French Association of Joint Stock Companies	AURUBIS	Brancheforeningen Cirkulær
Accenture	Anthesis Group	Austrian Agency for Health and Food Safety	British American Tobacco
Access to Nutrition initiative	antibiotice	Austrian Financial Reporting Advisory Committee (AFRAC)	BRITTANY FERRIES
Accor	APCIA	Autodesk, Inc.	Brüder Theurl GmbH
Accountancy Europe	APM Holding	Avnet	BSBV
ACEA	Applied Materials	Axis Capital	BSR
ACEA 2.0	Applied Medical	B.A.U.M Consult	BTV
ACO Ahlmann SE & Co. KG	Aquaculture Stewardship Council	Banco Sabadell	Bulgarian Foundation for Business and Human Rights
ACTIA	Aquawal	Bang & Olufsen A/S	Bundesgesellschaft für Endlagerung
Acushnet Company	Aquedotto Pugliese SPA	Bank of Valletta	Bundesverband Deutscher Leasing-Unternehmen e. V. (LobbyR R001688)
ACV-CSC	ART for ART Theaterservice GmbH	Bankhaus Spängler	Bunzl
ADEGI	Arup	BAVC	Bureau Veritas Solutions A/S
Afep - Association of Large French Companies	AS PricewaterhouseCoopers	BDEW (German Association of Energy and Water Industries)	Business & Human Rights Resource Centre
AFG - French Asset Management Association	ASCENDIA EOOD	BDO	Business & Science Poland
AFNOR	ASFINAG	BDO AG	Buzzi SpA
Ahold Delhaize	ASML	BDO spółka z ograniczoną odpowiedzialnością spółka komandytowa	Cabka N.V.
AIM-Progress	Aspekta AB	Beleva ESG	California State Teachers' Retirement System
AIRBUS	ASRO - National Standards Body in Romania	BELGAQUA	CalPERS
AJ Power Corporate group	Assarmatori - the Italian Shipowners' Association	Belief Group AS	Capgemini
AkzoNobel	Asseco Poland S.A.	Bertelsmann Stiftung	Cascale
ALDI Nord Holding Stiftung & Co. KG	Assicurazioni Generali S.p.A.	BETTER FINANCE	Cassa Depositi e Prestiti (CDP)
Alfred Kärcher SE & Co. KG	ASSIREVI	Billerud AB	CCEP
Allegro	Association for Financial Markets in Europe	Biocodex	CD PROJEKT
Alliance for Water Stewardship (in collaboration with our members)	Association of German Public Insurers	Birla Carbon	CDC Biodiversité
Allianz SE	Association of the German Ceramic Industry (VKI)	BL évolution	CDP
Alm. Brand Group	Assogestioni	Bloomberg LP	CEE Equity Partners Ltd i
Alpers & Wessel GmbH			CEE ScrI
Alpiq AG			

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Cefic	Confederation of German Employers' Associations (BDA)	DAW SE	ecoinvent
CEN-CENELEC	Confederation of Swedish Enterprise	Debeka	econsense
Centrum Holding1	Confederation of the German Textile and fashion industry	Decathlon	Ecophanie
CEOE	Connect Europe	Deedster	ECOS
CER	Conseil national de l'ordre des experts-comptables	DELA	EcoVadis
Ceres	Constellium	Deloitte	EcoValue
CERMI	Context Group	Demcon	EDF
Česká Spořitelna, a.s. (consultancy team- - ESG)	Continental AG	DER MITTELSTANDSVERBUND - ZGV e.V.	EDGE Certified Foundation
CEWEP	Coop Italia	Des enjeux et des hommes	EEW Energy from Waste GmbH
CEZ Group	Cortevea Inc.	Deutsche Aktuarvereinigung	EFAMA
CFA Institute	Covea	Deutsches Aktieninstitut	EFBWW
CFG	Covestro Deutschland AG	DFDS	EFFAT
CGT	COWI	DGB	EFPIA
Charité - Universitätsmedizin Berlin	CPP Investments	DGRV - Deutscher Genossenschafts- und Raiffeisenverband e.V.	Egalia centre against discrimination
Chartered Accountants Ireland	Crayon Group Holding ASA	Diageo	Elia Group
Cie Saint-Gobain	Crédit Agricole Assurances	DIE PAPIERINDUSTRIE e. V.	Ellen MacArthur Foundation
Cirio law firm	Credit Agricole SA	DIGITALEUROPE	Empact consulting B.V.
Clarity AI	CRIF - Czech Credit Bureau a.s.	DNB Bank ASA	EnBW Energie Baden-Württemberg AG
Clean Clothes Campaign	Croatian Business Council for Sustainable Development	DORNBACH GMBH	Encon
Cleerit	CRONIMET Holding GmbH	Dr. Falk Pharma GmbH	ENGIE
CLEPA	CSRinfo	Driscoll's	ENI
Climate & Company – The Berlin Institute for Climate Training and Research gGmbH	CSRD Collectief B.V.	DRSC	Ennov-solutions
CMA CGM	Currys	Dublin Port Company	Environmental Defense Fund Europe
CMAP Member	CZ	Dunya Analytics	EPSU
CNA	daa plc	Dutch Financial Markets Authority (AFM)	EQT
Coca-Cola HBC	Daimler Truck AG	DWS Group	ERGaR - European Renewable Gas Registry
Code Gaia	Danish Agriculture & Food Council	DXC Technology Company	Ernst & Young
Code Gaia GmbH	Danish Crown	E3G	ERT
Compagnie des Alpes	Danish Institute for Human Rights	Eaton	ESG Book
Compagnie Nationale des Commissaires aux Comptes	DASB	EBF	ESG Implementation
Compass Group PLC	Dassault Aviation	ECG	ESG Software GmbH
Confagricoltura	Dassault Systèmes	ECIIA	ESG Solution SB
Confapi - Confederazione Italiana della Piccola e Media Industria Privata	Datamar International s.r.o.	Eco Excellence	Ethos International - Return on your social responsibility AB
Confederation of Danish Industry	Datamaran	EcoActive ESG	ETSA
		Ecobio Oy	Eumedion
		ecoDa	EURATEX
			Eurelectric

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Euroclear	Ferring Pharmaceuticals	GdW Bundesverband deutscher Wohnungs-und Immobilienunternehmen e.V.	GS1 in Europe
EuroCommerce	Ferrovia SE	GELENWASSER Dresden GmbH	GS1 Polska
Eurogas	Festo SE	Generation Group (Generation Investment Management & Just Climate)	GTIL
Eurometaux	Fidelity International	Georgsmarienhütte Holding GmbH	Halbzeilstoff-Industrie GmbH
Euromines	Finance Denmark	German Banking Industry Committee	Haleon
European Aluminium	Finance Finland	German Centre for Integrative Biodiversity Research (iDiv) Halle-Jena-Leipzig	Hansgrohe SE
European Association of Co-operative Banks (EACB)	FINEXUS	German Chamber of Commerce and Industry (DIHK)	HARTING Stiftung & Co. KG
European Association of Public Banks	Finnish Energy	German Chemical Industry Association - VCI	HCL Technologies Ltd.
European Biogas Association	Finnwatch	German Confederation of Skilled Crafts and Small Businesses (ZDH)	HE/LO CONSULTING GmbH
European Branded Clothing Association	FLSmidth A/S	German Investment Funds Association BVI	Heidelberg Materials AG
European Committee of Central Balance-Sheet Data Offices (ECCBSO)	Fluxys	German Social Insurance European Representation (DSV)	Heidelberg Druckmaschinen AG
European Disability Forum	followfood GmbH	German Sustainability Code	Henkel AG & Co. KGaA
European Sustainability Consulting	FoodDrinkEurope	GIFAS (French Aerospace Industries Association)	Hennecke GmbH
European Trade Union Confederation (ETUC)	Foresight	Gilead Sciences, Inc.	HOCHTIEF Aktiengesellschaft
European Transport Workers' Federation (ETF)	Former - Capgemini Technology Services Pvt Ltd	GIST Impact	Holcim Ltd
Evonik	Fortenova grupa	GIZ GmbH	HR BCSD
Exide Technologies	Fortum Corporation	GLOBAL CSR	Hubert Burda Media
ExxonMobil Petroleum & Chemical BV	FRANCE ASSUREURS	Global Living Wage Coalition	HUK-COBURG
Fabula Rud Pedersen Group	Francesca Incampo	Global Nature Fund	ICAEW
Faerch	Frank Bold	Global Reporting Initiative	ICAS
Fair Trade Advocacy Office	Fratelli cosulich spa	Goodyear	IDH - Sustainable Trade Initiative
Fairtrade International	Free ICT	Google	IIGC PRI Eurosif
FAR AB	Freelancer	GPTW GmbH	IMA-Europe
Fashion Revolution	freenet AG	Green Transition Office (Ukraine)	Impact House
FBF	Freudenberg & Co. KG	Green0meter	Inditex
Febelfin	Freudenberg FST GmbH	Greengreen Advisory d.o.o.	industriAll
Federal Chamber of Labour	Fronius International GmbH	GRENKE AG	Infrabel
Federation of Food and Drink Industries of the Czech Republic	FSR - Danish Auditors	Groentenfruit Huis	ING Group N.V.
Federation of German Industries (BDI)	FuelsEurope	Grow Sustainability Consulting	Ingdilligence
Federation of the European Sporting Goods Industry	Futurcene SIA	Grupo ACS	Ingka Group (IKEA)
FedEx	FutureCamp Climate GmbH		InPost S.A.
FELBERMAYR HOLDING GMBH	Futureproofed		INretail
Feldbinder GmbH	Gap Inc.		INREV
Fendt Caravan GmbH	Gas Storage CZ, a.s.		Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)
	GASAG AG		Institute of International Finance
	GAZ-SYSTEM S.A.		Institutional Investors Group on Climate Change (IIGCC)
	GDV		

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Insurance and Pension Denmark	Koninklijke Boskalis Westminster NV	MAHLE International GmbH	Motor Oil Hellas
Insurance Europe	Koninklijke Vereniging van Nederlandse Reders (KVNR)	Manifest Climate	Mouvement Impact France
Interfaith Center on Corporate Responsibility	KPMG	Manitou	MTU Aero Engines AG
INTERFER	KPMG Advisory	Manitou Group	Muenchner Stadtentwässerung
International Association of Independent Tanker Owners (INTERTANKO)	KPMG Advisory SpA	marionsollbach consulting	MULTIVAC Sepp Haggenmüller SE & Co. KG
International Business Machines Corporation (IBM)	KPN	Marriott International Inc.	Munich Re
Interparfums	Krones AG	MATERIALITY Sp. z o.o.	MVV Energie AG
Intesa Sanpaolo SpA	KSB SE & Co. KGaA	McCain Foods Limited	Nasdaq
Invest Europe	LACERA	McDonald's	Nassauische Sparkasse
Investitionsbank Berlin	LACERA - Los Angeles County Employees Retirement Association	MEDEF	National Alliance of Forest Owners (NAFO)
IONWAY	LahiTapiola	MedTech Europe	NATIVA
Ipieca	Lake Constance Foundation	Meletre	NATUR SIEV
Irish Life Group	Lantmännen Ek För	Meliá Hotels International	Natural Resources Defense Council
ISS Corporate Solutions	LBBW	Mercadona	Naturgy Energy Group, S.A
ITAA	LBP AM	Mercedes	NBIM
IUCN	Le Groupe La Poste	Mercedes-Benz Group AG	Neste Oyj
J.P. Morgan SE	Leaseurope	Mercer International	Neuberger Berman
Japan Business Council in Europe	Legrand	Mercy Investment Services	NEUMAN & ESSER (NEA GROUP)
Japanese Bankers Association	Lenzing	Merko Ehitus AS	New York State Teachers' Retirement System
JASTRZĘBSKA SPÓŁKA WĘGLOWA S.A.	Lerøy Seafood Group ASA	Messer SE & Co KGaA	newcleo
JDE Peets	LFCA	Metsä Group	Newtone
Jeudan A/S	LFD	Meyer Werft GmbH	NHS Highland
John Sisk & Son Ltd.	LG Energy Solution Wrocław Sp. z o.o	MHA	Nilos GmbH & Co. KG
JTI	LGT Group Holding	mib Management Institut Bochum GmbH	NKT
Jupiter Intelligence	Lhoist	MICHELIN	Nokia
Jyske Bank A/S	LHV Group	MIDDLENEXT	NorDan
Kantar	Liebensteiner Kartonagenwerk GmbH	Milieudefensie - Friends of the Earth Netherlands	Nordea Bank Abp
KERING SA	Living Wage Foundation	Ministry of Economic Affairs the Netherlands	Nordic Sustainability
KGHM POLSKA MIEDŹ S.A.	Lloyd's Market Association	Ministry of Economy, Trade and Industry, Japan	Norsk Hydro ASA
KHD Humboldt Wedag International AG	LNA SANTE	Ministry of Finance of Estonia	Norwegian Shipowners' Association
Kiosk	L'OCCITANE Group	MM Holz	Novata
Kirchhoff Consult GmbH	LRQA	Mn Services	Novo Holdings, Head of Responsible Investments
KIRKBI A/S	Ludwig-Maximilian University of Munich School of Management and Sustainability Reporting	Mol Plc.	Novonesis
Klingspor Schleifsysteme GmbH & Co.KG	Navigator	Møller Eiendom	NV BEKAERT SA
Koan Group	LumenRadio AB	Mondelez	Nykredit
Konecranes Oy		Monte Vero Audit and Advisory sp. z o.o.	ÖBB-Holding AG (Austrian Federal Railways)
		Morningstar	



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Observatoire de la responsabilité sociétale des entreprises (Corporate social responsibility observatory)	PwC IL	Salzgitter AG	SpareBank 1 Sør-Norge Forretningspartner
Observatorio RSC	Qualcomm	SAMSON AG	Spirax Group Plc
Oikon Ltd	R3	Samsung Electronics	St. John's University
OMV Petrom SA	R4S Group_Roots for Sustainability	SANOFI	Stadtwerke Augsburg
ONCE Foundation	Raiffeisen Bank Romania	SANOVO TECHNOLOGY A/S	Stahlwerk Thüringen GmbH
OPEN Dot Com	Ramboll Management Consulting	SAP SE	Statkraft
OpenCO2net Oy	RATIONAL AG	Savillis Ireland	Stichting Stimular
Orange	Reclaim Finance	SAXONIA Holding GmbH	Stiftung Familienunternehmen und Politik /
ORLEN SA	Recruit Holdings	SBAB Bank AB (publ)	Foundation for Family Businesses and Politics
Otto Group	Red Bull	SBM offshore	Stockholm Environment Institute
Outokumpu Group	Rekord Hale Namiotowe Sp. z o.o.	Scheidt & Bachmann GmbH	Stockholm Resilience Centre, Stockholm
Pacto Mundial de la ONU España	REMBE GmbH Safety+Control	Scherdel GmbH	University
Palau	Remmers Gruppe SE	Schwarz Group	Stora Enso Oyj
Panasonic Holdings Corporation	RENAULT GROUP	SCHWENK Zement GmbH & Co. KG	Stowarzyszenie Emitentów Giełdowych (Polish
Pandora A/S	RENK Group	Shell	Association of Listed Companies)
PAUL HARTMANN AG	Repsol	Sherwin Williams	STRABAG
PCC Rokita SA	ReSight	Shibganj Integrated Development Society	STRATOS MANAGEMENT SRL
Pepperl+Fuchs	Rheinmetall AG	Shift	SÜLZLE
personal submission	RHI MAGNESITA	SIA "BINDERS"	Supermercati Tosano Cerea s.r.l.
PGE Polska Grupa Energetyczna S.A.	RhyThink AG	Siemens AG	Sustainability Assurance Services
Pictet Group	Rio Tinto plc	Siemens Energy	Sustainability Manager, TDC NET A/S
Pioneer Europe B.V.	Robert Bosch GmbH	Siemens Energy AG	Sustainable AG Unternehmensberatung
Plan and Rise SAS	Roche Holding AG	Siemens Healthineers	SUSTAINX ApS
Planet Yes	Rohde & Schwarz	Signify	Sustineo
PNE AG	Rolls-Royce Solutions GmbH	Simone	Sustinere
Polish Association of Listed Companies	Romanian Investment and Development Bank	Managementsysteme	Swedish Corporate Reporting Board
Polish Chamber of Commerce	Royal Philips	SK hynix	Swiss Medtech
Polish Ocean Lines Inc.	RTG Corporate Responsibility Ltd.	Skandinaviska Enskilda Banken AB	T&E (European Federation for Transport and
Pon Holdings B.V.	RTL Group GmbH	Smartgarita	Environment)
Position Green	RTX Corporation	SMS group GmbH	Taskforce on Nature-related Financial
Prism'emploi - French staffing industry	S1Seven GmbH	SNCB/NMBS	Disclosures
Federation	Saab	Social Accountability International	TAUW Group
ProService Finteco Sp. z o.o.	Safilo Group S.p.A.	Society for Corporate Governance	TCS
PSA Antwerp	SAFRAN	Sodali & Co	TD SYNnex
PwC	Sage	Soon starting at Sedex	TDJ
PwC Greece	SAIM GmbH	Sopra Steria	Technip Energies
	Salutary Ltd.	South Pole	Tecno Group - Ergo srl
	Salzburg AG	Spanish Banking Association (AEB)	Temasek International Pte. Ltd.

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Tesco PLC	UPS	WAY S.r.l.
Tetrapak	UPSI-BVS - Commission ESG EU Taxonomy	We Are Europe
THALES	ÜSTRA	We Mean Business Coalition
The Boeing Company	Ute Meyenberg	WEPA Hygieneprodukte GmbH
The Coca Cola Company	Vadim Titica	Wiener Stadtwerke GmbH
The Danish Business Authority	Vaillant Group	Wienerberger AG
The Investor Relations Society	Valio Oy	Wikirate International
The Luxembourg Bankers' Association	Valmet Oyj	Windkraft Simonsfeld AG
The Mosaic Company	Value Balancing Alliance e.V.	World Employment Confederation (WEC)
The Norwegian Institute for Public Accountants	ValueCo	World Fair Trade Organization - Europe asbl
The Upright Project	Van Lanschot Kempen	WSBI-ESBG
THERMADOR GROUPE	Vanguard Group (Ireland) Limited	WSP
TheRockGroup	Vattenfall	WWF EU
thyssenkrupp Marine Systems GmbH	VBO-FEB	YAGEO Corporation
tilo GmbH	VDMA e.V.	Yellowtail Conclusion
TIM	VEOLIA	Žabka Group
TMF Group	Verband kommunaler Unternehmen e.V.	Zalando SE
TotalEnergies	VERBUND AG	Zech Group SE
Toyota Motor Corporation	Verein Deutscher Zementwerke e.V. (VDZ)	Zenaga Foundation
Toyota Motor Europe	Verisure	ZF Group
TÜV NORD AG	VERSO GmbH	Zielke Research Consult & Zielke Rating
U.S. Cotton Trust Protocol	Vestas France SAS	Zielke Research Consult GmbH
UHY Poland	Vestas Wind Systems A/S	Zimmer Group
Umicore	VF Corporation	Zorg en Zekerheid
UN Principles for Responsible Investment	VICAT	Zurbruegggen
UNESPA	VIENNA INSURANCE GROUP AG	ZVEI e.V.
UNI Europa	Viterra	Związek Banków Polski
Unilever	Vitol group	
Uniper SE	Vivendi	
United Nations Global Compact	VMEBF	
Universitat Abat Oliba CEU	Volkswagen AG	
University of Bristol	Vonovia SE	
University of East Anglia	Vontobel	
University of Nottingham	Vorwerk SE & Co. KG	
University of Pisa	VÖWG	
UNSA	VPV Lebensversicherungs-AG	
UPERGY	VTI Technical Research Centre of Finland	
UPM-Kymmene Corporation	WAP Sustainability	

### Appendix 3: Additional Feedback public call for input

#### 3.1 Suggestions Regarding EU Taxonomy

29 A total of 329 comments were received on the following question in the public call for input: *Do you have suggestions regarding **Article 8 of the Environmental Taxonomy Regulation 2020/852** related information and its inclusion in the sustainability statement under a placeholder approach?*

30 Statistics below have been calculated based on the number of respondents who answered against a specific issue/challenge or theme relating to EU Taxonomy.

Response & Suggestion Theme	Additional Suggestions & Comments
<b>Article 8 as a Placeholder within the Sustainability Statements</b> A few respondents suggested that the placeholder should be retained for Article 8 Taxonomy disclosures within the sustainability statements whilst a few opposed this view noting concerns with the placeholder remaining or suggested it be removed.	<ul style="list-style-type: none"> <li>The placeholder approach is seen as too complex and hinders readability, suggesting it should be removed or simplified.</li> <li>Scope and objective contradict principle of relevant information.</li> </ul> <b>Contrasting views</b> <ul style="list-style-type: none"> <li>Include continue but on a phased basis and ESRS should the single reporting statement.</li> </ul>
<b>Location of Article 8 Disclosures</b> Some respondents commented on the location of Article 8 disclosures within the sustainability statements. Suggestions included allowing flexibility to include in a separate section or separate report, within an annex or appendix, incorporate by reference or within a topic or E section of the report or making a general statement that the current location needs to be considered.	<ul style="list-style-type: none"> <li>Keep Article 8 disclosures within the sustainability statement with flexibility to include in different sections or separately from the annual report.</li> <li>Suggestion to bring forward clearer guidance as part of the appendix or website or as part of the non-financial statement.</li> </ul>
<b>Article 8 Disclosures Should Be Voluntary</b> Some respondents suggested that Article 8 disclosures should be voluntary and/or materiality thresholds should be applied to KPIs or specific KPIs should be voluntary in cases where they are/are not decision useful and relevant to users/preparers allowing flexibility on whether they are included or not.	<ul style="list-style-type: none"> <li>Article 8 should be voluntary or subject to a materiality assessment.</li> <li>Removal or optional disclosures of OpEx and / or CapEX KPIs.</li> </ul>

<p><b>Implementation &amp; Supporting Guidance</b></p> <p>Some respondents suggested additional guidance was required to support companies in preparing Article 8 EU Taxonomy disclosures including improved guidance on metrics &amp; definitions in addition to examples, and guidance on integration into sustainability statements.</p>	<ul style="list-style-type: none"> <li>• Further guidance is needed to support companies along with improved guidance on metrics and definitions in addition to examples.</li> <li>• Specific guidance on metrics and presentation within sustainability statements and guidance on identification of material topics.</li> </ul> <p>Align definitions between ESRS and the EU Taxonomy Regulations.</p> <p><b>Isolated but noteworthy suggestions include:</b></p> <ul style="list-style-type: none"> <li>• Sectoral guidance, guidance on evaluating environmental data and apply field testing to the process to help companies in application and reporting.</li> </ul>
<p><b>Alignment and Simplification Across Frameworks</b></p> <p>Some respondents provided suggestions regarding alignment and simplification across reporting frameworks was required to avoid duplication in reporting and reduction in inconsistencies.</p>	<p>Align EU Taxonomy and ESRS for simplification of reporting requirements with specific alignment on environmental (E) standards with other regulation.</p> <ul style="list-style-type: none"> <li>• General alignment to remove duplication and overlaps, promoting comparability.</li> <li>• Remove DPs on EU taxonomy from ESRS to allow cross-referencing to other reports.</li> </ul> <p><b>Isolated but noteworthy suggestion includes:</b></p> <p>Aligning further with IFRS and reviewing frequency of reporting on EU Taxonomy in sustainability statements.</p> <p><b>A contrasting (and isolated) view includes:</b></p> <ul style="list-style-type: none"> <li>• Metrics in EU regulation may not meet the objective of general-purpose sustainability reporting.</li> </ul>
<p><b>Simplification of Reporting and Technical Screening Criteria</b></p> <p>Some respondents provided suggestions regarding simplification of reporting and technical screening criteria including DNSH and minimum safeguards.</p>	<ul style="list-style-type: none"> <li>• Simplify DNSH and technical screening criteria due to complexity</li> <li>• Simplification of EU Taxonomy reporting and better guidelines for Minimum Safeguards</li> <li>• Simplification of taxonomy reporting for low-eligibility sectors and or SMEs</li> <li>• Simplification of requirements for global companies</li> <li>• Simplification of reporting tables and templates</li> <li>• Improve definitions</li> </ul>

	<p><b>A Contrasting (and isolated) but noteworthy view includes:</b></p> <ul style="list-style-type: none"> <li>Criteria do not support traditional industries &amp; Taxonomy does not cover all activities.</li> </ul>
<p><b>Thresholds for Reporting KPIs</b></p> <p>Some respondents provided suggestions with respect to materiality and setting of thresholds for reporting against Taxonomy KPIs .</p>	<ul style="list-style-type: none"> <li>Adopt materiality thresholds for KPIs reporting with the majority referencing OpEx as most challenging KPI and GAR not insightful (for financial institutions) and should be removed.</li> <li>OpEx and/or CapEx should be voluntary.</li> <li>Templates should not be required at activity level.</li> </ul> <p><b>Isolated but noteworthy suggestions include:</b></p> <ul style="list-style-type: none"> <li>Excluding biodiversity from the EU Taxonomy and a focus on CapEx not OpEx.</li> </ul>
<p><b>Other noteworthy suggestions on EU Taxonomy from public call</b></p> <ul style="list-style-type: none"> <li>EU Taxonomy at group not activity level (as noted above in relation to KPIs)</li> <li>Consider Taxonomy for sustainable activities and extend to all activities</li> <li>Reporting thresholds (undertakings with &gt;500 employees)</li> </ul>	

- 31 **Financial Institutions** provided additional, specific feedback and suggestions in relation the sector (which includes banking, insurance and asset management undertakings). This included reporting of the same data in one location (“reported once”), removal of templates for nuclear/gas for financial companies, a suspension of EU Taxonomy reporting until a review is fully completed in addition to further alignment with other applicable including the EBA. It was also noted that a delay in reporting under ESRS (Omnibus impact) creates issues for financial institutions in accessing data to complete their own EU Taxonomy reporting. GAR for banks was noted in a number of responses as not useful and should be suspended pending the approval of the updated Delegated Acts.

### 3.2 Suggestions regarding EU Datapoints

32 A total of 278 comments were received on the following question in the public call for input: *Do you have suggestions regarding EU Regulation related datapoints?*

33 Statistics below have been calculated based on the number of respondents who answered against a specific issue/challenge or theme relating to EU datapoints.

Response & Suggestion Theme	Additional Suggestions & Comments
<p><b>Alignment with other EU Regulatory Frameworks</b> Some respondents suggest closer alignment with other EU regulatory frameworks in particular SFDR with Solvency II and Pillar 3 also noted in comments in particular for financial institutions. Most of these respondents refer to EU regulations with some referencing international sector (chemical for example) standards also.</p>	<p><b>Similar suggestions and comments were noted across themes in relation to EU DPs which include:</b></p> <ul style="list-style-type: none"> <li>• Alignment with other frameworks and financial regulations (EBA, SFDR, Pillar 3, CRD/CRR, CSDDD) including methodologies, terminology, remove low relevance DPs.</li> <li>• Clarify how reporting of DPs linked to SFDR should take into account downstream value chain.</li> <li>• Reporting mandatory EU DPs noted as crucial for connectivity.</li> <li>• Integrate ESRS – EBA datapoint mapping into ESG ITS mandates</li> <li>• Clearer definitions and guidance on mapping / requirements would be beneficial.</li> </ul> <p><b>Isolated noteworthy suggestion included:</b></p> <ul style="list-style-type: none"> <li>• Harmonising transition plan requirements across CSRD, EBA and other global standards, Harmonisation with other frameworks such as REACH and RoHS and disclosure of reference table with only publicly available information.</li> </ul>
<p><b>Cross Referencing of Disclosures &amp; Reporting</b> Some respondents noted importance and need for cross referencing to existing or other reporting and need for streamlining templates</p>	
<p><b>EU DPs optional in ESRS</b> Some of respondents suggest allowing more flexibility on inclusion of EU DPs in ESRS or making them voluntary with some suggesting they should remain as mandatory datapoints</p>	
<p><b>Additional Guidance</b> Some respondents suggest additional guidance is required or an FAQ on mapping with alignment noted as an important element to uphold in particular to SFDR.</p>	

**Appendix 4: Abbreviated Terms**

AMSB	Administrative, management & supervisory bodies
AR	Application requirements
ARESI	Aligning Real Estate Sustainability Indicators
BA	Business associations (stakeholder type)
BP	Disclosure Requirement - General basis for preparation of the sustainability statements
CapEx	Capital Expenditure
CRCF	Carbon Renewals and Carbon Farming Regulation
CRD	Capital Requirements
CREEM	Carbon Risk Real Estate Monitor
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
CSO	Civil society organisations (stakeholder type)
DMA	Double materiality assessment
DORA	Digital Operational Resilience Act
DP	Datapoint
DR	Disclosure Requirement
EBA	Euoprean Banking Authority
EEA	European Economic Area
EFRAG	European Financial Reporting Advisory Group
eID	eID is a set of services provided by the European Commission to enable the mutual recognition of national electronic identification schemes (eID) across borders.
ESRS	European Sustainability Reporting Standards
EU	European Union
FI	Financial institution (stakeholder type)

FY	Financial year
GHG	Greenhouse gas
GOV	Disclosure Requirement - Governance
GRI	Global Reporting Initiative
HCIS	High Climate Impact Sector
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
INREV	Association for Investors in Non-Listed Real Estate Vehicles Guidelines
IRO	Disclosure Requirement - Impacts, risks and opportunities
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
MDR	Disclosure Requirement - Minimum Disclosure Requirement
NSS	National standard setter (stakeholder type)
OECD	Organisation for Economic Co-operation and Development
OpEx	Operating Expenditure
PAIs	Principle adverse impacts
PATs	Disclosure Requirement - Policies, actions & targets
REACH	Regulation on the registration, evaluation, authorisation and restriction of chemicals
RED II	Renewable Energy Directive II
SBM	Disclosure Requirement - Strategy & business model
SBTi	Science Based Targets Initiative
SDDS	The International Monetary Funds (IMF) Special Data Dissemination System



SFDR	Sustainable Finance Disclosures Regulation
SME	Small & medium sized enterprises
SoC	Substances of Concern
SVHC	Substances of Very High Concern
TCFD	Task Force on Climate-Related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
UN	United Nations
VSME	Voluntary SME standards
XBRL	eXtensible Business Reporting Language