

EFRAG Sustainability Reporting Board Consultation Survey

A Eurelectric response paper

August 2022

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

Dépôt légal: D/2022/12.105/28

EFRAG Sustainability Reporting Board Consultation Survey 1

Fields marked with * are mandatory.



EFRAG Sustainability Reporting Board Consultation Survey 1A - 1C, 2

Consultation survey structure

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

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

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

3. Adequacy of Disclosure Requirements (Survey 2)

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

Respondent Profile

1. Personal details

* Organisation name

50 character(s) maximum

Eurelectric

* First name

50 character(s) maximum

Charlotte

* Surname

50 character(s) maximum

Renaud

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

50 character(s) maximum

crenaud@eurelectric.org

* Country of origin

50 character(s) maximum

Belgium

* 2. Type of respondent

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

* 3. Size

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

*** 4. User/Preparer perspective**

- User
- Preparer
- Both
- Neither

*** 5. Subject to CSRD**

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

- Yes
- No

EFRAG Sustainability Reporting Board Consultation Survey 1A - 1C, 2

1A. Overall ESRS Exposure Drafts' relevance – Architecture

Cross-cutting and topical standards

To facilitate a coherent coverage of the CSRD topics and reporting areas (as per Article 19a paragraph 2 and Article 19b paragraph 2 – see Appendix II) the Exposure Drafts (“EDs”) submitted for public consultation are based upon two categories of standards:

• **Cross-cutting ESRS** which:

1. Establish the general principles to be followed when preparing sustainability reporting in line with the CSRD provisions
2. Mandate Disclosure Requirements (“DRs”) aimed at providing an understanding of (a) strategy and business model, (b) governance and organisation, and (c) materiality assessment, covering all topics.

• **Topical ESRS** which, from a sector-agnostic perspective:

1. Provide topic-specific application guidance in relation to the cross-cutting DRs on strategy and business model, governance, materiality assessment
2. Mandate DRs about the undertaking’s implementation of its sustainability-related objectives (i.e. on its policies, targets, actions and action plans, and allocation of resources)
3. Mandate performance measurement metrics.

A full list of standards and whether they are cross-cutting standards or topical standards can be found in Appendix I.

Q1: in your opinion, to what extent do the structure and articulation of cross-cutting and topical standards adequately support the coverage of CSRD topics and reporting areas?

- Not at all

- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

The navigability of the exposure drafts is not easy for companies as it is rather difficult to follow. Perhaps to facilitate the work for companies, the EC can implement a web tool with the information for navigating the ESRS.

Concerning the structure of the standards: it's a confusing structure. There should be a difference between qualitative and quantitative disclosure requirements. Governance, Strategy and business model, risks&ops, etc. This should be included in a "management" approach and what is more quantitative (KPI, targets...) included in the "performance".

Alignment and interoperability with international standards and frameworks

- Article 19b paragraph 3a of the CSRD requires that “When adopting delegated acts pursuant to paragraph 1, the Commission shall take account of the work of global standard-setting initiatives for sustainability reporting, and existing standards and frameworks for natural capital accounting, responsible business conduct, corporate social responsibility, and sustainable development.”
- ESRS EDs were drafted accordingly, with the objective of fostering as much alignment as possible considering the constraints imposed by other provisions included in articles 19a and 19b as per the CSRD proposal. Details of these provisions and how they are covered by the ESRS EDs can be found in Appendix I.
- The structure and organisation of the reporting areas was one aspect of alignment to which particular attention was paid. Thus, the two categories of standards are organised to cover the reporting areas in relation to governance, strategy, assessment/management of impacts, risks and opportunities, and targets/metrics (as considered by the Task Force on Climate-Related Financial Disclosures - TCFD and source of inspiration for the IFRS Sustainability standards). A detailed mapping of the ESRS EDs disclosure requirements with TCFD recommendations and with IFRS Sustainability Exposure Drafts can be found in Appendices 5 and 6.

Q2: in your opinion, to what extent is the TCFD framework of reporting areas (governance, strategy, risk management and metrics/targets) compatible with the structure of the ESRS?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

The reservations concern the fact that: (1) The metrics are prescribed, rather than left open to the firm. Even if this is a very minor concern. (2) The governance around the process of regular reviews of the strategy in the light of climate risk is not explicitly disclosed, while it can be disclosed in the policy section. For eased application, it would be more beneficial to keep reporting standards simpler and preparer-friendly. Also, the TCFD logics would not be applicable in the granularity reporting foreseen by the standards. Example: Having a Group-wide “environmental” strategy might include all sub-topics from the ESRS E-standards. Nevertheless, this would not automatically mean that there are specific strategies/risk management for e.g. water or waste. It should be re-assessed if a reporting, which includes specifics/KPIs on sub-topics, would be more beneficial to stakeholders (in the sense of reader-friendliness) or a generic reporting would be sufficient.

Q3: in your opinion, to what extent does the approach taken to structure the reporting areas promote interoperability between the ESRS and the IFRS Sustainability Exposure Drafts?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

The power sector needs a strong alignment of sustainability standards globally to avoid a fragmentation of reporting requirements around the world. To do so, EFRAG should closely follow and take into account the ongoing work of the Global Reporting Initiative (GRI), the International Sustainability Standards Board (ISSB) and Greenhouse Gas Protocol (GHGP) on global sustainability reporting standards. Despite good intentions differing from these global standards troubles unnecessarily the implementation of an effective and appropriate disclosure of ESG related information. This is still not the case since it is unclear whether a company reports under CSRD- ESRS should also be reporting ISSB's proposed standards. Furthermore, for preparers it's important not only the correlation but the assurance that covering ESRS you are compliant also with IFRS. Moreover, While the EFRAG Exposure Drafts are very granular and detailed (covering e.g. all GRI standards), the IFRS Sustainability Exposure Drafts seem of less volume (both pages-wise and content-wise) but also incorporate TCFD and GRI logics. It seems that the IFRS Sustainability Exposure Drafts are more easily to be implemented (especially for first time application) and due to less granularity still ensuring that relevant/material content is included in reportings. Therefore, ISSB and EFRAG should urgently develop a collaboration model that enables global alignment and connect EFRAG's work with the ISSB's agenda (this requires engagement/involvement/effort by both EFRAG and ISSB). Additionally, in cases of differences between the standards, it shall only be 'add-ons' while any contradiction should be avoided. Further, in the case where some European sustainability reporting standards would go beyond global standards, such disclosure requirements should benefit from a phase-in approach not least because it will require ambitious and wide-ranging IT implementation.

Consideration given to EU policies and legislation

Article 19b paragraph 3 of the CSRD also requires that “When adopting delegated acts pursuant to paragraph 1, the Commission shall take account of:

1. the information that financial market participants need to comply with their disclosure obligations laid down in Regulation (EU) 2019/2088 and the delegated acts adopted pursuant to that Regulation - **Sustainable Finance Disclosure Requirements**;
2. the criteria set out in the delegated acts adopted pursuant to Regulation (EU) 2020/852 - **Taxonomy Regulation**;
3. the disclosure requirements applicable to benchmarks administrators in the benchmark statement and in the benchmark methodology and the minimum standards for the construction of EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks in accordance with Commission Delegated Regulations (EU) 2020/1816*8, (EU) 2020/1817 and (EU) 2020/1818 - **Benchmark Regulation**;
4. the disclosures specified in the implementing acts adopted pursuant to Article 434a of Regulation (EU) No 575/2013; **Prudential requirements for Credit Institutions and Investment Firms**;
5. Commission Recommendation 2013/179/EU; **European Commission recommendation on the life cycle environmental performance of products and services**;
6. Directive 2003/87/EC of the European Parliament and of the Council; **GHG allowance Directive**;
7. Regulation (EC) No 1221/2009 of the European Parliament and of the Council; **EMAS regulation**.

Q4: in your opinion, have these European legislation and initiatives been considered properly?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Eurelectric has strong reservations since there is some European legislation that was not reflected at all, e.g. the taxonomy criteria 3-6. Moreover, In some cases in the regulations consideration, there are some voluntary requirement (for example scope 3 GHG protocol) that became all mandatory in ESRS. In addition, more guidance should exist to help companies take action to implement the more than 500 pages of ESRS regulation. Upcoming regulations such as the Corporate Sustainable Due Diligence Directive, potential review of the Taxonomy extensions, etc. should be considered. To do so, CSDR should include respective anchors / review clauses.

Q5: are there any other European policies and legislation you would suggest should be considered more fully?

There are several regulations on going that can have an impact such as the Corporate Sustainability Due Diligence Directive. This relationship between new regulations and European standards should be made explicit when it embraces the same topics and verify which one companies have to follow. Otherwise, a transition period should be defined.

Coverage of sustainability topics

Article 19b paragraph 2 of the CSRD proposal defines the sustainability subject matters (referred to as sustainability topics or subtopics in the ESRS) that the sustainability reporting standards shall address when defining the sustainability information required by article 19a paragraphs 1 and 2 of the CSRD. The ESRS architecture was designed to cover all the detailed subject matters listed in article 19b paragraph 2 for environment-, social- and governance-related matters and to ensure that sustainability information is reported in a carefully articulated manner.

In terms of timing of adoption of European sustainability reporting standards, article 19b paragraph 1 of the CSRD requires the Commission to adopt:

- a first set of sustainability standards covering the information required by article 19a and at least specifying information needed by financial market participants subject to the [SFDR reporting obligations](#)
- a second set of standards covering information that is specific to the sector in which undertakings operate.

Also, article 19c of the CSRD proposal on sustainability reporting standards for SMEs requires the Commission to adopt SME-proportionate standards in a second set.

As a consequence, as per article 19b paragraph 1, are only included in this first set of ESRS Exposure Drafts:

1. the two cross-cutting standards on General principles (ESRS 1) and on General, strategy, governance and materiality assessment (ESRS 2);
2. the eleven topical (sector-agnostic) standards covering environment- (ESRS E1 to E5), social- (ESRS S1 to S4) and governance-related (ESRS G1 and G2) sustainability topics.

A detailed list of ESRS EDs can be found in Appendix I. And the detailed provisions of the CSRD and how they are covered by the ESRS EDs can be found in Appendix II.

Q6: in your opinion, to what extent does the proposed coverage of set 1 adequately address CSRD sustainability topics?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have.

In the current Exposure Drafts, all topics being addressed in the CSRD are covered. Moreover, the broad scope and high granularity in the Exposure Drafts seem to exceed the reporting obligations being meant by the CSRD by far. Especially integration of nonfinancial and financial information similar to EU Taxonomy will be challenging (Expectation to report CAPEX/OPEX in each sustainability domain). EFRAG proposal expects companies to use fully integrated or priority-oriented budgeting practice which is not in line with financial systems and practice. We see ESRS drafts as the challenger towards changes in financial standards, which goes beyond original purpose.

Q7: in your opinion, to what extent does the proposed coverage of set 1 (see Appendix I) adequately address SFDR reporting obligations?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

If you think this coverage and its implementation could be improved in any way, please specify how and to what specific SFDR indicator your comment relates

Sustainability statements and the links with other parts of corporate reporting

For clarity and ease of use, standardised sustainability reporting shall be easily identifiable within the management report (MR). To that effect, ESRS 1 – General principles (paragraphs 145 to 152) prescribes how to organise the information required by ESRS. It offers three options (paragraphs 148 and 149) for undertakings to consider when preparing their sustainability reporting:

- a single separately identifiable section of the MR;
- four separately identifiable parts of the MR:
 1. General information;
 2. Environment;
 3. Social;
 4. Governance
- one separately identifiable part per ESRS in the MR.

The first option is the preferred option. When applying the other two options the entity shall report a location table to identify where disclosures are presented in the MR.

In order to foster linkage throughout the undertaking's corporate reporting, ESRS 1 also:

- prescribes that the undertaking adopts presentation practices that promote cohesiveness between its sustainability reporting and: (a) the information provided in the other parts of the management report, (b) its financial statements (FS), and (c) other sustainability-related regulated information (paragraphs 131 to 134)
- promotes the incorporation of information by reference to other parts of the corporate reporting in order to avoid redundancy (paragraphs 135 and 136)
- organises connectivity with the financial statements by prescribing how to include monetary amounts or other quantitative data points directly presented in the financial statements (paragraphs 137 to 143).

Q8: Do you agree with the proposed three options?

- Yes

- No
- No opinion

Q9: would you recommend any other option(s)?

If so, please describe the proposed alternative option(s)

Disclosing this information in the Management Review in the level of details stipulated by the disclosure requirements will not allow stakeholders to get a high-level overview of the business and its performance. This would go against the efforts made by companies in the last years to focus on ensuring the readability and usability of the annual reports with a strong focus on key users' needs. Such efforts have led to easily readable annual reports which are recognised by users of these reports. One key element here has been the ability to avoid too granular information in the Management Review and instead supplement this by a sustainability report on the website as a separate report even though it is a part of the annual report and is filed on the same date.

We support option 2 (incorporation of references). In option 1 and 3, we see challenges of linking sustainability information with financial information, as most of the sustainability topics are not directly linked with financials (e.g. GHG emissions are linked, but for example pollution or waste KPIs are not directly linked with financial KPIs in the management report). It would be appreciated if reporting would allow for linking sustainability KPIs/financials if there is a direct linkage. In case there is no direct linkage (which would be in the majority of requested disclosures), this should be simply stated (no "comply-or-explain"). Eurelectric shall therefore strongly recommend a 4th Option. Thus, in place of the requirement to disclose all sustainability information within the Management Review, we shall urge for a 4th option allowing for more flexibility as to where the information must be presented (i.e. to allow for a summary in the annual report and retain the current ability to report detailed sustainability information in a separate report(s))

Moreover current ESRS proposal expects different consolidation boundary for companies compared to financial statements. (The undertaking's reporting boundary for its sustainability reporting is the one retained for its financial statements expanded to its upstream and downstream value chain. Associates and joint ventures accounted for under the equity method are considered as part of the upstream or downstream value chain. Entities accounted for under the proportional consolidation method are considered as part of the boundary for the consolidated portion)

If management report should be coherent those boundaries must be the same. As all information in sustainability report will cover different and broader set of companies compared to financial report, those information are not comparable and probably cannot be even assured. This will make whole Report unreadable and unusable.

Q10: in your opinion, to what extent do you believe that connectivity between the sustainability reporting and other parts of the management report has been appropriately addressed?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

The integration of the 2 reports will undoubtedly evolve over time. However, as a starting point, the approach prescribed for non-Financial information is closely compatible with requirements in the management report. (e.g. Risk management, policies etc.)

With reference to Q9, we see challenges in the depth of granularity to link with content of the annual report. In the majority of requested disclosures, there would be no adequate content within the management report to be linked with.

Q11: in your opinion, to what extent does the incorporation of information in the Sustainability section by reference to other parts of the management report support cohesiveness throughout corporate reporting?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

It is suggested to allow cross-references also for all Corporate Reporting documents, to avoid the duplication of information already reported in other mandatory documents. By way of example, the information required by the ESRS G1 Governance, risk management and internal control standard is largely already provided in the report on corporate governance and ownership structures that issuers are required to publish according with the European legislation. On this point, it should be noted that the IFRS instead provides that the information required by the standards be included in the sustainability report through cross-reference also to other documents made available with the same timing of general purpose financial reporting.

Q12: in your opinion, to what extent do the requirements and provisions on how to include monetary amounts and other financial statement-related quantitative data into sustainability reporting support connectivity with the financial statements?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Eurelectric supports the concept of cross-referencing between monetary amounts included in the sustainability section and relevant line items in the financial statements, as this will promote further coherence between sustainability and financial information. However, it may not be relevant or possible for some companies to disclose a monetary amount for specific disclosure requirements. Furthermore, we believe that financial reconciliation for some of the disclosure requirements/data points to specific line items in the financial statements will likely not be possible for some companies.

For example, disclosure requirement S1-9 (training and skills development indicators) § 57 (c) requires a disclosure of average expenses on training per FTE and a reconciliation of the total expenses with the most

representative amount in the financial statements. In such a case, disclosing the number of training hours per person should be sufficient.

Moreover, as granularity of requested information is high, there will be risk of disclosure for proprietary or sensitive information as they can be directly linked to small economic activity, specific project or specific person or groups of people.

1B. Overall ESRS Exposure Drafts relevance

– Implementation of CSRD principles

Characteristics of information quality

Article 19a paragraph 2 of the CSRD proposal states that “the sustainability reporting standards referred to in paragraph 1 shall require that the information to be reported is understandable, relevant, representative, verifiable, comparable, and is represented in a faithful manner.”

As a consequence, ESRS 1 - *General principles* defines how such qualities of information shall be met:

- Relevance is defined in paragraphs 26 to 28
- Faithful representation is defined in paragraphs 29 to 32
- Comparability is defined in paragraphs 33 and 34
- Verifiability is defined in paragraphs 35 to 37
- Understandability is defined in paragraphs 38 to 41

Q13: to what extent do you think that the principle of relevance of sustainability information is adequately defined and prescribed?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Relevant sustainability information is generally evaluated by a materiality assessment. In course of the EFRAG Exposure Drafts, a materiality assessment is foreseen to report on additional topics (besides these mentioned in the technical standards). Therefore, all relevant sustainability information will be included within reporting according to the CSRD. Besides this, even more (detailed) information is requested to report on. This will expand the reporting scope massively (both content-wise and page-wise) and there is a risk of giving too much information which is not relevant while relevant information needed to be searched for in the sustainability report.

Q14: to what extent do you think that the principle of faithful representation of sustainability information is adequately defined and prescribed?

- Not at all
- To a limited extent with strong reservations

- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Paragraph 30 requires including “all material aspects related to the reportable content”, but it is unclear how this links to the double materiality principles and rebuttable presumption.

Q15: to what extent do you think that the principle of comparability of sustainability information is adequately defined and prescribed?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

In case all reporting organizations will strictly follow the disclosure requirements, we appreciate the comparability. What is of utmost importance is that any room of interpretation in course of applicable standards need to be avoided.
A special mention is needed for consistency over time which is challenging (ie like for like comparison) due to annual changes in a company’s perimeter, for example due to acquisitions and divestments or more general contextual changes like changing economic circumstances.

Q16: to what extent do you think that the principle of verifiability of sustainability information is adequately defined and prescribed?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Q17: to what extent do you think that the principle of understandability of sustainability information is adequately defined and prescribed?

- Not at all

- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

With basics laid down in ESRS 1 and 2, understandability of sustainability information should be clearly addressed and described. With reference to Q13 and Q15, we would suggest limiting the reporting scope content-wise to priority topics (material topics + some limited general information) to facilitate efficiency for reporting companies and to support reader-friendliness of sustainability reports.

Double materiality

Double materiality is a principle that is central to the CSRD proposal and is represented accordingly in the ESRS materiality assessment approach that sustains the definition of mandatory requirements by the cross-cutting and topical standards. This is also true of the materiality assessment any undertaking is expected to perform, per ESRS 2 – *General, strategy, governance and materiality assessment*, to identify its principal sustainability risks, impacts and opportunities. This in turn, defines what sustainability information must be reported by the undertaking.

Double materiality assessment supports the determination of whether information on a sustainability matter has to be included in the undertaking’s sustainability report. ESRS 1 paragraph 46 states that “a sustainability matter meets the criteria of double materiality if it is material from an impact perspective or from a financial perspective or from both.” Further indications as to how to implement double materiality is given by ESRS 2 Disclosure Requirement 2-IRO 1, paragraph 74b(iii) and AG 68.

While recognising that both perspectives are intertwined the Exposure Drafts contain provisions about how to implement the two perspectives in their own rights.

Q18: in your opinion, to what extent does the definition of double materiality (as per ESRS 1 paragraph 46) foster the identification of sustainability information that would meet the needs of all stakeholders?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Eurelectric generally supports the overarching concept and definition of double materiality and rebuttable presumption to help scope what topics a company shall report on and in what level of granularity.

However, we would welcome further guidance and clarity on the definition of double materiality and disagree with having to write explicit statements in the Management Report for those ESRS or group of disclosure requirements that are “not material for the undertaking” (ESRS 1 § 59) and thereby not reported on. It should

be implicit that if a standard or set of disclosure requirements are not disclosed in the Management Report, they have been assessed by the company as not material, and the reasonable and supportable evidence for this has been presented to the auditors. This would be comparable to the existing approach in financial reporting where only relevant, material information is reported, without explicit reference to what is not material. Furthermore, we encourage that the thresholds and/or criteria used to determine when a disclosure requirement is “not material for the undertaking” (ESRS 1 § 58) should not have to be explicitly disclosed by the company.

In addition, we very much support the CSRD allowing for the materiality assessment and reporting on a company group level. It will otherwise have disrupted the readability and overview of the company’s ESG efforts and performance beside being resource-intensive for companies to report on a subsidiary level.

We agree that there can be special situations where it makes good sense to report on subsidiary level for certain information. However, this should only be the case in very specific situations. Hence, guidance leaving any doubt in this regard would be appreciated as terms and wording in the CSRD leaves uncertainty with regard to how ‘particularly significant’ and ‘substantially different’ shall be interpreted.

From our current experience, only a limited set of stakeholders is interested in reading sustainability information. Therefore, we see difficulties in reaching out to a diffuse group of stakeholders which could not easily identified by reporting organizations. Additionally, we doubt that all “affected stakeholders” will read our sustainability report for their information.

Q19: to what extent do you think that the proposed implementation of double materiality (as per ESRS 2-IRO 1, paragraph 74b(iii) and AG 61) is practically feasible?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

There does not appear to be much guidance on what the materiality criteria are for NF information. In our view, the proposed reporting requirements are too detailed, which would lead to unnecessary extensive reporting and administrative burden. Also, an entity may not have sufficient access to information from upstream and downstream entities when making the materiality assessment.

Impact materiality

- A definition of impact materiality is given by ESRS 1 paragraph 49: “a sustainability matter is material from an impact perspective if the undertaking is connected to actual or potential significant impacts on people or the environment over the short, medium or long term. This includes impacts directly caused or contributed to by the undertaking and impacts which are otherwise directly linked to the undertaking’s upstream and downstream value chain.”
- A description of how to determine impact materiality and implement impact materiality assessment can be found in ESRS 1 *paragraph 51* and is complemented by ESRS 2 *Disclosure Requirement 2-IRO 1, paragraph 74b(iii)*, AG 64 and AG 68.

Q20: in your opinion, to what extent is the definition of impact materiality (as per ESRS 1 paragraph 49) aligned with that of international standards?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

With regard to “actual significant impacts” we see full alignment with international standards. For “potential significant impacts” we see a lack of quantifiability for these impacts which hinders a comparison with other standards. Moreover, a reporting about potentials should basically be qualitative (with that lacking auditability). As a general reflection, many terms in the framework are used interchangeable leaving doubts about their precise meaning and definition. A longer phase-in period is therefore foreseen either de facto or as an anchored way forward, cf. also specific comment below.

Q21: to what extent do you think that the determination and implementation of impact materiality (as proposed by ESRS 1 paragraph 51) is practically feasible?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

The definition of Impact materiality is too broad. The proposals (paragraphs 49 to 51) may lead any company to qualify all topics as potentially material given the wide scope of application through direct or indirect relationships in its entire value chain and short to long term. There is also a need to amend the definition of “directly linked” impacts, that considers at the same level impacts between a company and its direct stakeholders, and with stakeholders far in the value chain where the company has little leverage. The wording in the definition is perfectly fine. However, we would also suggest to add scale of severity is required, accompanied by descriptions and examples of each scale point. Without this, the definition is subjective and won't provide comparability. We do not see the point of excluding the offsetting or netting the impacts in the calculation. Global targets may include positive and negative impacts and they net/offset each other (within the same impact). Not including this information leads to partial information (both positive and negative). Setting targets based only on gross impacts would not be realistic

Financial materiality

- A definition of financial materiality is given by ESRS 1 paragraph 53: “a matter is material from a financial perspective if it triggers or may trigger significant financial effects on the undertaking, i.e., it generates risks or opportunities that influence or are likely to influence the future cash flows and

therefore the enterprise value of the undertaking in the short, medium or long term, but it is not captured or not yet fully captured by financial reporting at the reporting date.”

- A description of how to determine financial materiality and implement financial materiality assessment can be found in ESRS 1 paragraphs 54 to 56 and is complemented by ESRS 2 Disclosure Requirement 2-IRO 1, paragraph 74b(iii), AG 65 and AG 69.

Q22: in your opinion, to what extent is the definition of financial materiality (as per ESRS 1 paragraph 53) aligned with that of international standards?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

The framework is comprehensive and rather complex in its structure. As a general comment, ways should be sought to simplify and streamline the framework, while also giving the reporting companies some discretion over what information is prominently featured in presenting the situation of the company. One possible way forward could be to align the definition of financial materiality with the generally understood materiality concept in IFRS (= influencing decisions of primary users of financial statements). If full alignment is not possible, we are proposing to narrow down the definition to the extent possible

Q23: to what extent do you think that the determination and implementation of financial materiality (as proposed by ESRS 1 paragraphs 54 to 56) is practically feasible?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

There should be more guidance on what financial parameters should be included to measure financial materiality and how each variable is weighted.

(Materiality) Rebuttable presumption

Central to the ESRS is the critical combination of two key elements:

- the mandatory nature of disclosure requirements prescribed by ESRS, and
- the pivotal importance of the assessment by the undertaking of its material impacts, risks and opportunities.

The combination of the two is designed to make sure that the entity will report on its material impacts, risks and opportunities, but on all of them.

The assessment of materiality applies not just to a given sustainability matter covered by a given ESRS (like ESRS E3 on biodiversity for example), but also to each one of the specific disclosure requirements included in that ESRS. However, this excludes the cross-cutting standards and related disclosure requirements, which are always material and must be reported in all cases.

When a sustainability matter is deemed material as a result of its materiality assessment, the undertaking must apply the requirements in ESRS related to these material matters (except for the few optional requirements identified as such in ESRS). Conversely, disclosure requirements in ESRS that relate to matters that are not material for the undertaking are not to be reported.

The (materiality) rebuttable presumption mechanism described in ESRS 1 paragraphs 57 to 62 aims at supporting the implementation and documentation of the materiality assessment of the undertaking at a granular level.

ESRS 1 paragraphs 58 to 62 describe how to implement the rebuttable presumption principles. In particular, “The undertaking shall therefore assess for each ESRS and, when relevant, for a group of disclosure requirements related to a specific aspect covered by an ESRS if the presumption is rebutted for:

1. all of the mandatory disclosures of an entire ESRS or
2. a group of DR related to a specific aspect covered by an ESRS,

Based on reasonable and supportable evidence, in which case it is deemed to be complied with through a statement that:

1. the ESRS or
2. the group of DR is “not material for the undertaking”.

Q24: to what extent do you think that the (materiality) rebuttable presumption and its proposed implementation will support relevant, accurate and efficient documentation of the results of the materiality assessment?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

The proposed requirement to apply rebuttable presumption would require companies to explain in details the reasons why each of the ESRS disclosure requirements are not material, using materiality thresholds and qualitative explanations which, in our view, may go against the principles of understandable information (paragraphs 38, 40).

The requirement risk extending the length of the sustainability report unnecessarily and take focus from the material and most relevant part of the report resulting in information overflow. A possible way forward could be to apply the assumption that all material information is being disclosed (similar to financial reporting). Furthermore, it is unclear that the assessments will be comparable with those of other companies. However, this might have been very time consuming to agree and we need the standards now.

Q25: what would you say are the advantages of the (materiality) rebuttable presumption and its proposed implementation?

When well implemented, it allows a universal set of standards to operate. Moreover, it allows a company to reduce its reporting burden but makes the basis for that judgement explicit and therefore subject to audit and review by investors.

Q26: what would you say are the disadvantages of the (materiality) rebuttable presumption and its proposed implementation?

The main issue identified is non comparability

Q27: how would you suggest it can be improved?

An idea is to add scales of impact with verbal examples for environmental and human rights impacts. This is not a silver bullet but it should improve comparability especially over time and with the input of auditors. Another way forward is to apply the assumption that all material information is being disclosed (similar to financial reporting).

Reporting boundary and value chain

ESRS 1 paragraphs 63 to 65 define the reporting boundary of the undertaking and how and when it is expanded when relevant for the identification and assessment of principal impacts, risks and opportunities upstream and downstream its value chain – as the financial and/or impact materiality of a sustainability matter is not constrained to matters that are within the control of the undertaking.

Paragraphs 67 and 68 address the situation when collecting the information about the upstream and downstream value chain may be impracticable, i.e. the undertaking cannot collect the necessary information after making every reasonable effort, and allows approximation based on the use of all reasonable and supportable information, including peer group or sector data.

Due to the dynamics and causal connections between levels within the undertaking's reporting boundary, material information is not constrained to one particular level. Paragraphs 72 to 77 prescribe how the undertaking shall consider the appropriate level of disaggregation of information to ensure it represents the undertaking's principal impacts, risks and opportunities in a relevant and faithful manner.

Q28: in your opinion, to what extent would approximation of information on the value chain that cannot (practically) be collected contribute to the reporting of understandable, relevant, verifiable, comparable, and faithfully represented sustainability information?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

There are several concerns on this point:

- It should be clearly defined, which are the boundaries to be considered when reporting the information.
- The reporting perimeter also extends upstream and downstream of the value chain, regardless of the level of control or the power of influence of the company. There are difficulties in finding the data required by the standard for all entities involved in the value chain. Additionally, this requirement will increase the level of information and resources allocated to the Sustainable Reporting process (costs, systems, FTEs...)
- Joint ventures and "associates" are also included within the scope of the supply chain, but normally they are not always considered.
- Partially consolidated companies are deemed as under group consolidation, which is different from financial reporting and will create problem with comparability of nonfinancial and financial information (and in case of sustainability CAPEX/OPEX even different financial values from financial statements)
- A criticality is also present in reporting data over which there is no control of the data collection and management process.

Q29: what other alternative to approximation would you recommend in cases where collecting information is impracticable?

The recently European Directive on Corporate Sustainability Due Diligence contains a definition of value chain based on relevant and stable relationships over time and scope restriction. Below is the definition: "value chain' means activities related to the production of goods or the provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. [...] 'established business relationship' means a business relationship, whether direct or indirect, which is, or which is expected to be lasting, in view of its intensity or duration and which does not represent a negligible or merely ancillary part of the value chain."

Q30: in your opinion, to what extent will the choice of disaggregation level by the undertaking as per ESRS 1 paragraphs 72 to 77 contribute to the reporting of understandable, relevant, verifiable, comparable and faithfully represented sustainability information?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Eurelectric fully understands the complexity of the issue. We think this approach is a good compromise since it conjugates the necessary prescription with flexibility.

Time horizon

ESRS 1 paragraph 83 defines short-, medium- and long-term for reporting purposes, as

- One year for short term
- Two to five years for medium term
- More than five years for long-term.

Q31: do you think it is relevant to define short-, medium- and long-term horizon for sustainability reporting purposes?

- Yes
- No
- I do not know

Please explain why

Q32: if yes, do you agree with the proposed time horizons?

- Yes
- No
- I do not know

Please explain why

The rationale is not explained. Traditionally this would be seen differently based on the sector. For example, network companies have assets with lives of 40 years. That is their 'long term'. However, climate change is happening very rapidly and is likely to be the single biggest driver. Therefore, the shorter timelines are probably appropriate.

Q33: if you disagree with the proposed time horizons, what other suggestion would you make? And why?

Eurelectric suggests maintaining flexibility in defining the time horizon to allow companies to link them to strategic-industrial planning.

Disclosure principles for implementation of Policies, targets, action and action plans, and resources

In order to harmonise disclosures prescribed by topical standards, ESRS 1 provides disclosure principles (DP) to specify, from a generic perspective, the key aspects to disclose:

1. when the undertaking is required to describe policies, targets, actions and action plans, and resources in relation to sustainability matters and
2. when the undertaking decides to describe policies, targets, actions and action plans, and resources in relation to entity-specific sustainability matters.

DP 1-1 on policies adopted to manage material sustainability matters describes (paragraphs 96 to 98) the aspects that are to be reported for the relevant policies related to sustainability matters identified as material following the materiality assessment performed by the undertaking.

DP 1-2 on targets, progress and tracking effectiveness defines (paragraphs 99 to 102) how the undertaking is to report measurable outcome-oriented targets set to meet the objectives of policies, progress against these targets and if non-measurable outcome-oriented targets have been set, how effectiveness is monitored.

DP 1-3 on actions, action plans and resources in relation to policies and targets defines (paragraphs 103 to 106) the aspects that are to be reported by the undertaking relating to actions, action plans and resources in relation to policies and targets adopted to address material impacts, risks and opportunities.

Q34: in your opinion, to what extent will DP 1-1 contribute to the reporting of understandable, relevant, verifiable, comparable and faithfully represented information on sustainability related policies?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

This is a major improvement on current reporting even by leading companies. It will require much work and careful deliberation by preparing companies. It will provide investors with information they currently do not have and will most likely improve the planning and foresight of the preparing companies.

Regarding monitoring the effectiveness of its policies and actions and measures progress, it would imply that for those goals without a specific target will be very difficult to measure while increase the level of resources dedicated.

Regarding the proposal on targets to be disclosed, we need to assess why there is a need on to provide information on targets, action plans and resources allocated. This implies a level of prospective information, with different type of assumptions used by each undertaking that will make comparison among them very difficult or almost impossible. Furthermore, it is something that is not asked to the financial information to be provided.

Additionally, there is an issue with the lack of relevant information on the inclusion of all policies that a company has related to ESG topics. It has to be taken into account that some companies have dozens of policies, and this would add no value at all to the sustainability reporting.

Q35: in your opinion, to what extent will DP 1-2 contribute to the reporting of understandable, relevant, verifiable, comparable, and faithfully represented information on sustainability-related targets and their monitoring?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Q36: in your opinion, to what extent will DP 1-3 contribute to the reporting of understandable, relevant, verifiable, comparable, and faithfully represented information on sustainability-related action plans and allocated resources?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

Information and description of resources needed to implement action plans shall not be considered as a mandatory requirement. This suggestion follows two orders of reasons. First of all, action plans and the targets related often pertain to strategic areas of business: disclosing such information on industrial and business level can be sensitive if divulged, thus, strategically to be maintained as internal. Moreover, assigning resources (such as capital and operational expenditures) to specific action plans can lead to double counting or erroneous/simplified allocation: many of the action plans that target sustainability issues require synergies of several corporate areas, and actions to be taken on different fronts to achieve specific results. For example, in order to implement safety and the related KPIs, resources shall be allocated and splitted, to name a few: training, technologies and innovation implemented with the scope of improving safety conditions, business practices adopted etc.

Bases for preparation

Chapter 4 of ESRS 1 provides for principles to be applied when preparing and presenting sustainability information covering general situations and specific circumstances. Aspects covered include:

- general presentation principles (paragraphs 108 and 109);
- presenting comparative information (paragraphs 110 and 111);
- estimating under conditions of uncertainty (paragraphs 112 and 113);
- updating disclosures about events after the end of the reporting period (paragraphs 114 to 116);
- changes in preparing or presenting sustainability information (paragraphs 117 and 118);
- reporting errors in prior periods (paragraphs 119 to 124);
- adverse impacts and financial risks (paragraphs 125 and 126);
- optional disclosures (paragraph 127);
- consolidated reporting and subsidiary exemption (paragraphs 128 and 129);
- stating relationship and compatibility with other sustainability reporting frameworks (paragraph 130).

Q37: is anything important missing in the aspects covered by the bases for preparation?

- Yes
- No
- I do not know

If yes, please indicate which one(s).

Please share any comment you might have on the aspects already covered (make sure to indicate which one you are referring to)

We need a shared standard for estimating future impacts on cash flow and enterprise value.

On the proposal of (b) under a structure that facilitates access to and understanding of the sustainability statements, both in human and machine-readable formats, a Taxonomy published is needed prior to be able to deploy this. Also the time needed for implementation by undertakings should be borne in mind together with the level of resources associated.

On the proposal of When a topical (or sector-specific) Standard requires to present more than one comparative period for a metric or key performance indicator, the requirements of that Standard shall prevail. We need to have more information on how this process is going to be required.

On the proposal ESRS require information such as explanations about possible future events that have sustainability impacts, that because they might happen in future years involve uncertainty, may imply a too wide approach. Furthermore, transferring these events into value (€), may deepen the assumptions and increase the difficulty for comparing the information among different undertakers.

The scope of materiality for the entire consolidated group, will need to focus on those material impacts at consolidated level. This should be the threshold to be applied at each subsidiary level

1C. Overall ESRS Exposure Drafts relevance – Exposure Drafts content

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

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

ESRS 1 – General Principles

This [draft] Standard prescribes the mandatory concepts and principles to apply for preparation of sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD) proposal. It covers the applicable general principles:

1. when reporting under European Sustainability Reporting Standards;

2. on how to apply CSRD concepts;
3. when disclosing policies, targets, actions and action plans, and resources;
4. when preparing and presenting sustainability information;
5. on how sustainability reporting is linked to other parts of corporate reporting; and
6. specifying the structure of the sustainability statements building upon the disclosure requirements of all ESRS.

Most questions relevant for ESRS 1 are covered in the previous sections of the survey (section 1 Overall ESRS Exposure Drafts relevance – architecture and section 2 Overall ESRS Exposure Drafts relevance – implementation of CSRD principles).

Q38: in your opinion, to what extent can ESRS 1 – *General principles* foster alignment with international sustainability reporting standards (in particular IFRS Sustainability Reporting S1 Exposure draft)?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Please explain your reservations or your suggestions for improvement or any other comment you might have

ESRS 2 – General, strategy, governance and materiality assessment

This [draft] standard sets out the disclosure requirements of the undertaking’s sustainability report that are of a cross-cutting nature. Those disclosures can be grouped into those that are:

1. of a general nature;
2. on the strategy and business model of the undertaking;
3. on its governance in relation to sustainability; and
4. on its materiality assessment of sustainability impacts, risks and opportunities.

Q39: Please, rate to what extent do you think ESRS 2 – General, strategy, governance and materiality assessment

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the					

CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS 2 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

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

The possibility of making cross references to other compulsory reports is poorly included. Listed companies are subject to a lot of compulsory reporting that could serve as a support for sustainability report in order to make it more "readable". There is information on policies and governance which is excessive

On the proposal "in the case of a consolidated sustainability report a confirmation that the reporting scope (see ESRS 1) used for sustainability reporting is identical to the scope used for the consolidated financial statements" this is opposite to ESRS 1, where the standards force to include equities also. This goes further than the financial accounts

On the proposal "The undertaking shall disclose if it also reports in full or in part in accordance with generally accepted sustainability reporting pronouncements of other standard setting bodies". Here there should be a mention to the possibility of both complying with ESRS and other reporting standards. This paragraph seems to mean that every reporting is "extra". Low flexibility for adapting ESRS standards to current reporting framework requirements

On the proposal “The undertaking shall describe the key characteristics of its business relationships with its suppliers, customers and distribution channels...” we do not see the point of disclosing information of the contractual terms with our value chain. We consider this confidential and commercial information and we should have prior acceptance by our customers/suppliers/collaborators

On the proposal “description of the underlying actual and potential, negative and positive impacts on the environment, and people...” We need to assess why there is a need on to provide potential information on future impacts (environment, people...). This implies a level of prospective information, with different type of assumptions used by each undertaking that will make comparison among them very difficult or almost impossible. Furthermore transferring this events into value (€), may depend the assumptions and increase the difficulty for comparing the information among different undertakers.

References regarding “potential challenges” or “goals and purposes in terms of n terms of product and services, customer categories, geographic areas and relationships with stakeholders” this may imply revealing information on the strategy of company. Sensitive information

ESRS E1 – Climate change

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of sustainability reporting to understand:

1. how the undertaking affects climate change, in terms of positive and negative material actual or potential adverse impact;
2. its past, current, and future mitigation efforts in line with the Paris Agreement (or an updated international agreement on climate change) and limiting global warming to 1.5°C;
3. the plans and capacity of the undertaking to adapt its business model(s) and operations in line with the transition to a sustainable economy and to contribute to limiting global warming to 1.5°C;
4. any other actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;
5. the nature, type and extent of the undertaking’s material risks and opportunities related to the undertaking’s impacts and dependencies on climate change, and how the undertaking manages them; and
6. the effects of risks and opportunities, related to the undertaking’s impacts and dependencies on climate change, on the undertaking’s development, performance and position over the short-, medium- and long- term and therefore on its ability to create enterprise value .

This [draft] standard derives from the [Draft] Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify which information to disclose about climate change mitigation and climate change adaptation.

This [draft] standard covers Disclosure Requirements related to ‘Climate change mitigation’, ‘Climate change adaptation’ and ‘Energy’.

Q40: Please, rate to what extent do you think ESRS E1 – Climate change

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
--	------------	--	--	-------	------------

A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS E1 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

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

ESRS E2 – Pollution

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of the sustainability reporting to understand:

1. how the undertaking affects pollution of air (both indoor and outdoor), water (including groundwater) and soil, living organisms and food resources (referred to in this [draft] Standard as “pollution”), in terms of positive and negative material actual or potential adverse impacts;
2. any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;
3. the plans and capacity of the undertaking to adapt its strategy, business model(s) and operations in line with the transition to a sustainable economy concurring with the needs for prevention, control and elimination of pollution across air (both indoor and outdoor), water (including groundwater), soil, living organisms and food resources, thereby creating a toxic-free environment with zero pollution also in support of the EU Action Plan ‘Towards a Zero Pollution for Air, Water and Soil’;
4. the nature, type and extent of the undertaking’s material risks and opportunities related to the undertaking’s impacts and dependencies arising from pollution, as well as from the prevention, control, elimination or reduction of pollution (including from regulations) and how the undertaking manages them; and
5. the effects of risks and opportunities, related to the undertaking’s impacts and dependencies on pollution, on the undertaking’s development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value.

This standard derives from the (Draft) Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify the information that undertakings are to disclose about environmental factors, including information about ‘pollution’.

This standard sets out Disclosure Requirements related to pollution of air (both indoor and outdoor), water (including groundwater), soil, substances of concerns, most harmful substances and enabling activities in support of prevention, control and elimination of pollution.

Q41: Please, rate to what extent do you think ESRS E2 - Pollution

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS E2 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

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

For part H, we would welcome an overall assessment of what information is adding value and needed by stakeholders.

For part I, requirements should be aligned with EU legislation. For example, regulations or requirements that only consider the hazardous properties of chemicals unnecessarily limit the variety of chemicals needed. This then has a direct critical impact on the innovation and competitiveness of companies for the production of sustainable products, which are needed, among other things, for the successful implementation of the Green Deal.

Hazardous characteristics requiring reporting should not be defined in sustainability reporting in anticipation of decisions yet to be made on the CLP and REACH regulations or the Ecodesign Regulation.

B. and F. Paragraph 6 under Objective describes the pollution of soil. The description indicates that this also covers the emissions into soil using the undertaking's products and/or services. It will be hard to get verifiable information of pollution occurring downstream in the value chain through the use of the undertaking's products and/or services. The information seems to be a more relevant reporting requirement for the downstream user.

ESRS E3 – Water and marine resources

The objective of this [draft] standard is to specify disclosure requirements which will enable users of the sustainability reporting to understand:

1. how the undertaking affects water and marine resources, in terms of positive and negative material actual or potential adverse impacts;
2. any actions taken, and the result of such actions, to protect water and marine resources, also with reference to reduction of water withdrawals, water consumption, water use, water discharges in

water bodies and in the oceans, habitat degradation and the intensity of pressure on marine resources;

3. to what extent the undertaking is contributing to the European Green Deal’s ambitions for fresh air, clean water, a healthy soil and biodiversity as well as to ensuring the sustainability of the blue economy and fisheries sectors, to the EU water framework directive, to the EU marine strategy framework, to the EU maritime spatial planning directive, the SDGs 6 Clean water and sanitation and 14 Life below water, and respect of global environmental limits (e.g. the biosphere integrity, ocean acidification, freshwater use, and biogeochemical flows planetary boundaries) in line with the vision for 2050 of ‘living well within the ecological limits of our planet’ set out in in the 7th Environmental Action Programme, and in the proposal for a decision of the European Parliament and the Council on the 8th Environmental Action Programme;
4. the plans and capacity of the undertaking to adapt its business model and operations in line with the transition to a sustainable economy as well as with the preservation and restoration of water and marine resources globally;
5. the nature, type and extent of the undertaking’s material risks and opportunities related to the undertaking’s impacts and dependencies on water and marine resources, and how the undertaking manages them; and
6. the effects of risks and opportunities, related to the undertaking’s impacts and dependencies on water and marine resources, on the undertaking’s development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value.

This standard derives from the [Draft Corporate Sustainability Reporting Directive] stating that the sustainability reporting standards shall specify information to disclose about two sub-subtopics: ‘water’ and ‘marine resources’.

Q42: Please, rate to what extent do you think ESRS E3 – Water and marine resources

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS E3 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

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

For H, we would welcome an overall assessment of what information is adding value and needed by stakeholders.

ESRS E4 – Biodiversity and ecosystems

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of sustainability reporting to understand:

1. how the undertaking affects biodiversity and ecosystems, in terms of positive and negative material actual or potential adverse impacts;
2. any actions taken, and the result of such actions, to prevent, mitigate or remediate, actual or potential adverse impacts and to protect and restore biodiversity and ecosystems;
3. to what extent the undertaking contributes to (i) the European Green Deal's ambitions for protecting the biodiversity and ecosystems, the EU Biodiversity Strategy for 2030, the SDGs 2 Zero Hunger, 6 Clean water and sanitation, 12 Responsible consumption, 14 Life below water and 15 Life on land, the Post-2020 Global Biodiversity Framework and (ii) the respect of global environmental limits (e.g. the biosphere integrity and land-system change planetary boundaries);
4. and the plans and capacity of the undertaking to adapt its business model and operations in line with the transition to a sustainable economy and with the preservation and restoration of biodiversity and ecosystems globally in general; and in particular in line with the objective of (i) ensuring that by 2050 all of the world's ecosystems and their services are restored to a good ecological condition, resilient, and adequately protected and (ii) contributing to achieving the objectives of the EU Biodiversity Strategy at latest by 2030;

5. the nature, type and extent of the undertaking's material risks and opportunities related to the undertaking's impacts and dependencies on biodiversity and ecosystems, and how the undertaking manages them;
6. the effects of risks and opportunities, related to the undertaking's impacts and dependencies on biodiversity and ecosystems, on the undertaking's development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value.

This standard derives from the [Draft Corporate Sustainability Reporting Directive] stating that the sustainability reporting standards shall specify information to disclose about 'biodiversity and ecosystems'. This standard sets out Disclosure Requirements related to the undertaking's relationship to terrestrial, freshwater and marine habitats, ecosystems and populations of related fauna and flora species, including diversity within species, between species and of ecosystems and their interrelation with many indigenous and local communities.

Q43: Please, rate to what extent do you think ESRS E4 – Biodiversity and ecosystems

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS E4 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

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

For C: proposed requirements that are not relevant for all sectors/companies

For H: we could welcome an overall assessment of what information is adding value and needed by stakeholders.

For Part I:

- Proposal for Deforestation regulation, RED II, Climate change taxonomy, EU Timber regulation (Birds and habitats directive? Natura 2000?)
- Different definitions and sustainability criteria must be in line with existing legislation (see “additional comments” section below)

For Part J:

- Different definitions and sustainability criteria must be in line with existing legislation and with global international definitions
- The disclosure requirements concerning biodiversity exceed by far what is currently legally mandatory (neither NFRD, TCFD nor SASB and ISSB request these disclosures). Therefore, disclosure requirements should be in line with Global compact, which is generally accepted framework for reporting

ESRS E5 – Resource use and circular economy

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of the sustainability reporting to understand:

1. the impact of the undertaking on resource use considering the depletion of non-renewable resources and the regeneration of renewable resources and its past, current and future measures to decouple its growth from extraction of natural resources;
2. the nature, type and extent of risks and opportunities arising from the resource use and the transition to a circular economy including potential negative externalities;
3. the effects of circular economy-related risks and opportunities on the undertaking’s development, performance and position over the short-, medium- and long-term and therefore on its ability to create enterprise value in;
4. the plans and capacity of the undertaking to adapt its business model and operations in line with circular economy principles including the elimination of waste, the circulation of products and materials at their highest value, and the nature’s regeneration.

This [draft] standard derives from the [Draft] Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify information to disclose about ‘resource use and circular economy’.

Q44: Please, rate to what extent do you think ESRS E5 – Resource use and circular economy

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS E5 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

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

For H: we would welcome an overall assessment of what information is adding value and needed by stakeholders.

For J: There is currently no sustainability standard which cover the requested disclosure

ESRS S1 – Own workforce

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of the sustainability reporting to understand:

1. how they affect the undertaking affects own workforce, in terms of positive and negative material impacts;
2. any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;
3. the nature, type and extent of the undertaking’s material risks and opportunities related to its impacts and dependencies on own workforce, and how the undertaking manages them and,
4. the effects of risks and opportunities, related to the undertaking’s impacts and dependencies on own workforce, on the undertaking’s development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value.

In order to meet the objective, this [draft] Standard also requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on its own workforce in relation to:

1. working conditions (impacts related to e.g. living wage, health and safety, social security, working hours, water and sanitation);
2. access to equal opportunities (impacts related to e.g. discrimination, including on the rights of workers with disabilities or on women workers, as well as impacts related to issues of equality in pay and work-life balance, precarious work);
3. other work-related rights, (impacts related to e.g. trade union rights, freedom of association and collective bargaining, child labour, forced labour, privacy, adequate housing).

This draft standard derives from the [Draft] Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify the information that undertakings are to disclose regarding social factors.

This [draft] Standard covers an undertaking’s “own workforce”, which is understood to include both workers who are in an employment relationship with the undertaking (“employees”) and non-employee workers who are either individuals with contracts with the undertaking to supply labour (‘self-employed workers’) or workers provided by undertakings primarily engaged in ‘employment activities’ (NACE Code N78). This [draft] Standard does not cover (i) workers in the upstream or downstream undertaking’s value chain for whom neither work nor workplace are controlled by the undertaking; or (ii) workers whose work and/or workplace is controlled by the undertaking but are neither employees, nor individual contractors (“self-employed workers”), nor workers provided by undertakings primarily ,engaged in “employment activities” (NACE Code N78); these categories of workers are covered in ESRS S2 Workers in the Value Chain.

Q45: Please, rate to what extent do you think ESRS S1 – *Own workforce*

--	--	--	--	--	--

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS S1 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

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

Respecting human rights along the whole value chain of a company's business activities is a fundamental element to empower sustainable progress.

Eurelectric considers it is of utmost importance that investors and other stakeholders have available information of their investee companies which allows them to confirm that they repudiate practices like forced labour, child labour and promote fair working conditions and respect for human rights, fundamental freedoms and democratic principles established in UN human rights conventions and the Charter of

Fundamental Rights of the European Union.

Eurelectric supports that information be given under a double materiality perspective including financial impact on the companies and impacts generated by the Company on society. Eurelectric agrees there should be transparency regarding the policies which address the management of the company's material impacts and the actions taken to mitigate these risks and impacts on their own employees.

However, Eurelectric also considers that too detailed information may not be of real added value for investors and other stakeholders. Furthermore, these reporting requirements should not lead to cumbersome and disproportionate obligations for companies. We consider that more flexibility should be given to companies, and also, some of the information could be reported just on a voluntary basis. Reporting all this detailed information at company level is going to take many resources from companies which will exceed the benefits of having this information available for investors. In some cases, even a breakdown per country is being required if the company has 50 or more employees per country. In addition, auditing such detailed information may entail high administrative burden for companies.

Nevertheless, some of this detailed information may not meet the other objectives of the CSRD in terms of quality of information since some of the requested details are not that relevant and it are not comparable due to national differences.

Eurelectric considers qualitative information should be prioritized in the first year of implementation.

Furthermore, enough time should be given to companies to get ready so that they can parameterize their systems in order to extract the information where appropriate and gather and prepare all the requested information. Therefore, we consider that the expected date of implementation is too early and it should be postponed. Alternatively, a phased-in approach is recommended. Here data related to common standards (e. g. GRI) can be phased-in earlier than data that goes beyond common standards.

For Part F: Prescribes information that can be verified / assured: some prescribed KPIs cannot be monitored and reported as it is prohibited by law. Examples include tracking nationality in Sweden (ESRS G1-4) and the classification of people in Finland based on disability (ESRS S1 –19). ESRS S1 must increase alignment with existing laws in EU member states

ESRS S2 – Workers in the value chain

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of the sustainability reporting to understand:

1. how the undertaking affects workers in its value chain through its own operations and its upstream and downstream value chain (including its products and services, its business relationships and its supply chain), in terms of material positive and negative actual or potential adverse impacts;
2. any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;
3. the nature, type and extent of the undertaking's material risks and opportunities related to its impacts and dependencies on workers in the value chain, and how the undertaking manages them; and
4. the effects of risks and opportunities, related to the undertaking's impacts and dependencies on workers in the value chain, on the undertaking's development, performance and position over the short-, medium- and long-term and therefore on its ability to create enterprise value.

In order to meet the objective, the [draft] standard requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on value chain workers in relation to impacts on those workers':

1. working conditions (impacts related to e.g. living wage, health and safety, social security, working hours, water and sanitation);
2. access to equal opportunities (impacts related to e.g. discrimination, including on the rights of workers with disabilities or on women workers, as well as impacts related to issues of equality in pay and work-life balance, precarious work);
3. other work-related rights, (impacts related to e.g. trade union rights, freedom of association and collective bargaining, child labour, forced labour, privacy, adequate housing).

This draft standard derives from the [Draft] Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify the information that undertakings are to disclose regarding social factors.

This [draft] standard covers all workers in the undertaking’s upstream and downstream value chain who are or can be materially impacted. This also includes all non-employee workers whose work and/or workplace is controlled by the undertaking but are not included in the scope of “own workforce” (“own workforce” includes: employees, individual contractors, i.e., self-employed workers, and workers provided by third party undertakings primarily engaged in ‘employment activities’). Own workforce is covered in ESRS S1 Own workforce.

Q46: Please, rate to what extent do you think ESRS S2 – Workers in the value chain

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS S2 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

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

Respecting human rights along the whole value chain of a company's business activities is a fundamental element to empower sustainable progress.

Eurelectric considers it is of utmost importance that investors and other stakeholders have available information of their investee companies which allows them to confirm that they repudiate practices like forced labour, child labour and promote fair working conditions and respect for human rights, fundamental freedoms and democratic principles established in UN human rights conventions and the Charter of Fundamental Rights of the European Union.

Eurelectric supports that information be given under a double materiality perspective including financial impact on the companies and impacts generated by the Company on society. We agree there should be transparency regarding the policies which address the management of the company's material impacts and the actions taken to mitigate these risks and impacts on workers of the value chain

Eurelectric believes that monitoring stakeholder expectations and concerns allows the evolution of material issues to be tracked over time.

However, Eurelectric also considers that too detailed information may not be of real added value for investors and other stakeholders. Furthermore, these reporting requirements should not lead to cumbersome and disproportionate obligations for companies. We consider that more flexibility should be given to companies, and also, some of the information could be reported just on a voluntary basis. Moreover, Eurelectric believes the previous exemption of subsidiary companies should be maintained. Reporting all this detailed information at company level is going to take many resources from companies which will exceed the benefits of having this information available for investors. In addition, auditing such detailed information may entail high administrative burden for companies.

Eurelectric considers qualitative information should be prioritized in the first year of implementation.

Furthermore, enough time should be given to companies to get ready so that they can parameterize their systems in order to extract the information where appropriate and gather and prepare all the requested information. In addition, some companies will need to define policies and processes and establish channels with stakeholders for which they will need sufficient time. Therefore, we consider that the expected date of implementation is too early and it should be postponed. Alternatively, a phased-in approach is recommended. Here data related to common standards (e.g. GRI) can be phased-in earlier than data that goes beyond common standards.

For F and H: The challenge with the requirements is the limited visibility to the full value chain. The scope of the value chain should be revised. This applies to both the workers in the value chain as well as local communities. Focus should be on tier 1 supplier relationships.

For I: Strong alignment the CSDD directive and national due diligence initiatives should be guaranteed to

reduce reporting burden.

ESRS S3 – Affected communities

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of the sustainability reporting to understand:

1. how the undertaking affects its local communities through its own operations and its upstream and downstream value chain (including its products and services, its business relationships and its supply chain), in terms of material positive and negative actual or potential adverse impacts;
2. any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;
3. the nature, type and extent of the undertaking's material risks and opportunities related to the undertaking's impacts and dependencies on affected communities, and how the undertaking manages them; and
4. the effects of risks and opportunities, related to their impacts and dependencies on local communities, on the undertaking's development, performance and position over the short-, medium- and long-term and therefore on its ability to create enterprise value.

In order to meet the objective, the [Draft] standard requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on affected communities in relation to:

1. impacts on communities' economic, social and cultural rights (e.g. adequate housing, adequate food, water and sanitation, land-related and security-related impacts);
2. impacts on communities' civil and political rights (e.g. freedom of expression, freedom of assembly, impacts on human rights defenders); and
3. impacts on particular rights of Indigenous communities (e.g. free, prior and informed consent, self-determination, cultural rights).

This draft standard derives from the [Draft] Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify the information that undertakings are to disclose regarding social factors.

Q47: Please, rate to what extent do you think ESRS S3 – Affected communities

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS S3 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

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

Eurelectric believes the spirit of service and care for the well-being of people and society in which companies operate should be part of their strategy and is crucial for a sustainable business model intended to have positive effects on society.

Eurelectric supports that information be given under a double materiality perspective including financial impact on the companies and impacts generated by the Company on society. We agree there should be transparency regarding the policies which address the management of the company's material impacts and the actions taken to mitigate these risks and impacts on local and global communities

Eurelectric believes that monitoring stakeholder expectations and concerns allows the evolution of material issues to be tracked over time. However, Eurelectric also considers that too detailed information may not be of real added value for investors and other stakeholders. Furthermore, these reporting requirements should not lead to cumbersome and disproportionate obligations for companies. We consider that more flexibility should be given to companies, and also, some of the information could be reported just on a voluntary basis. Moreover, we believe the previous exemption of subsidiary companies should be maintained. Reporting all this detailed information at company level is going to take many resources from companies which will exceed the benefits of having this information available for investors. In addition, auditing such detailed information may entail high administrative burden for companies.

Eurelectric considers qualitative information should be prioritized in the first year of implementation.

Furthermore, enough time should be given to companies to get ready so that they can parameterize their systems in order to extract the information where appropriate, and gather and prepare all the requested information. In addition, some companies will need to define policies and processes and establish channels with stakeholders for which they will need sufficient time. Therefore, we consider that the expected date of implementation is too early and it should be postponed. Alternatively, a phased-in approach is recommended. Here data related to common standards (e.g. GRI) can be phased-in earlier than data that goes beyond common standards.

F and H. The challenge with the requirements is the limited visibility to the full value chain. The scope of the value chain should be revised. This applies to both the workers in the value chain as well as local communities.

ESRS S4 – Consumers and end-users

The objective of this [draft] standard is to specify Disclosure Requirements which will enable users of the sustainability reporting to understand:

1. how the undertaking affects the consumers and end-users of its products and/or services (referred to in this [draft] Standard as “consumers and end-users”), in terms of material positive and negative actual or potential adverse impacts connected with the undertaking’s own operations and upstream and downstream value chain, including its business relationships and its supply chain;
2. any actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential adverse impacts;
3. the nature, type and extent of the undertaking’s material risks and opportunities related to its impacts and dependencies on consumers and end-users, and how the undertaking manages them; and
4. the effects of risks and opportunities, related to their impacts and dependencies on consumers and end-users, on the undertaking’s development, performance and position over the short-, medium- and long-term and therefore on its ability to create enterprise value.

In order to meet the objective, the [draft] standard requires an explanation of the general approach the undertaking takes to identify and manage any material actual and potential impacts on the consumers and /or end-users related to their products and/or services in relation to:

1. information-related impacts for consumers/end-users, in particular privacy, freedom of expression and access to information; .
2. personal safety of consumers/end-users, in particular health & safety, security of a person and protection of children; and
3. social inclusion of consumers/end-users, in particular non-discrimination and access to products and services.

This draft standard derives from the [Draft] Corporate Sustainability Reporting Directive stating that the sustainability reporting standards shall specify the information that undertakings are to disclose regarding social factors.

Q48: Please, rate to what extent do you think ESRS S4 – Consumers and end-users

--	--	--	--	--	--

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS S4 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

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

The spirit of service and care for the well-being of people and society in which companies operate should be part of their strategy and is crucial for a sustainable business model intended to have positive effects on society.

Eurelectric supports that information be given under a double materiality perspective including financial impact on the companies and impacts generated by the Company on society. We agree there should be

transparency regarding the policies which address the management of the company's material impacts and the actions taken to mitigate these risks and impacts on consumers and end-users.

Eurelectric believes that monitoring stakeholder expectations and concerns allows the evolution of material issues to be tracked over time

However, Eurelectric also considers that too detailed information may not be of real added value for investors and other stakeholders. Furthermore, these reporting requirements should not lead to cumbersome and disproportionate obligations for companies. It could happen that this information conflicts with nonpublic proprietary information about business case of the company. (E.g. company put specific internal policy in place to actively discriminate in pricing for some profitable consumers against general clients). There is no incentive for company to provide such data towards its competitors and public. We consider that more flexibility should be given to companies, and also, some of the information could be reported just on a voluntary basis. Moreover, we believe the previous exemption of subsidiary companies should be maintained. Reporting all this detailed information at company level is going to take many resources from companies which will exceed the benefits of having this information available for investors.

Eurelectric considers qualitative information should be prioritized in the first year of implementation. Furthermore, enough time should be given to companies to get ready so that they can parameterize their systems in order to extract the information where appropriate and gather and prepare all the requested information. In addition, some companies will need to define policies and processes and establish channels with stakeholders for which they will need sufficient time. Therefore, we consider that the expected date of implementation is too early and it should be postponed. Alternatively, a phased-in approach is recommended. Here data related to common standards (e.g. GRI) can be phased-in earlier than data that goes beyond common standards.

ESRS G1 – Governance, risk management and internal control

The objective of this [draft] standard is to specify disclosure requirements which will enable users of the undertaking's sustainability report to understand the governance structure of the undertaking, and its internal control and risk management systems.

This [draft] standard derives from the [Draft Corporate Sustainability Reporting Directive] stating that the sustainability reporting standards shall specify information to disclose information about governance factors, including:

1. the role of the undertaking's administrative, management and supervisory bodies, including with regard to sustainability matters, and their composition, as well as a description of the diversity policy applied and its implementation;
2. the undertaking's internal control and risk management systems, including in relation to the undertaking's reporting process.

Q49: Please, rate to what extent do you think ESRS G1 – Governance, risk management and internal control

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion

A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS G1 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

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

It is suggested to allow cross-references also for all Corporate Reporting documents, in order to avoid the duplication of information already reported in other mandatory documents. By way of example, the information required by the ESRS G1 Governance, risk management and internal control standard is largely already provided in the report on corporate governance and ownership structures that issuers are required to publish according with the European legislation.

On this point, it should be noted that the IFRS instead provides that the information required by the standards be included in the sustainability report through cross-reference also to other documents made available with the same timing of general-purpose financial reporting.

Some of the disclosure requirements under ESRS G1 are going too far and are burdensome for the reporting companies without any real value for stakeholders. This concerns especially G1-3 (Nomination process) and G1-10 (Meetings and attendance rate). That information seems not to be relevant for the user.

ESRS G2 – Business conduct

The objective of this [draft] standard is to specify disclosure requirements for the undertaking to provide information about its strategy and approach, processes and procedures as well as its performance in respect of business conduct.

This [draft] standard derives from the [Draft Corporate Sustainability Reporting Directive] stating that the sustainability reporting standards shall specify information to disclose about business ethics and corporate culture, including anti-corruption and anti-bribery.

In general, business conduct covers a wide range of behaviours that support transparent and sustainable business practices to the benefit of all stakeholders. This [draft] standard focusses on a limited number of practices as follows:

1. business conduct culture;
2. avoiding corruption, bribery and other behaviours that often have been criminalised as they benefit some in positions of power with a detrimental impact on society; and
3. transparency about anti-competitive behaviour and political engagement or lobbying.

This [draft] standard is addressing business conduct as a key element of the undertaking's contribution to sustainable development. This [draft] standard requires the undertaking to report information about its overall policies and practices for business conduct, rather than information for specific material sustainability topics.

Q50: Please, rate to what extent do you think ESRS G2 – Business conduct

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion
A. Covers sustainability information required by articles 19a and 19b of the CSRD proposal (see Appendix II for CSRD detailed requirements)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Supports the production of relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Fosters comparability across sectors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
D. Covers information necessary for a faithful representation from an impact perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Covers information necessary for a faithful representation from a financial perspective	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Prescribes information that can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

G. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
J. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part H, please explain why costs would be unreasonable and / or what particular benefit ESRS G2 offers

For part I, please specify what European law or initiative you think is insufficiently considered

For part J, please explain how you think further alignment could be reached

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

Some of the disclosure requirements under ESRS G2 are going too far and are burdensome for the reporting companies without any real value for stakeholders. This concerns especially G2-5 (Anti-corruption and anti-bribery training) and G2-10 (Payment practices). That information seems not to be relevant for the user.

2. ESRS implementation prioritisation / phasing-in

Application provisions

In order to facilitate the first-time application of set 1, ESRS 1 includes two provisions:

- Application Provision AP1 which exempts undertaking to reports comparatives for the first reporting period, and
- Application Provision AP2 which proposes transitional measures for entity-specific disclosures which consists in allowing the undertaking to continue to use, for 2 years, disclosures it has consistently used in the past, providing certain conditions are met, as described in paragraph 154.

Q51: to what extent do you support the implementation of Application Provision AP1?

- Not at all
- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Q52: to what extent do you support the implementation of Application Provision AP2?

- Not at all
-

- To a limited extent with strong reservations
- To a large extent with some reservations
- Fully
- No opinion

Q53: what other application provision facilitating first-time application would you suggest being considered?

Please explain why

ESRS implementation prioritisation / phasing-in options

Set 1 proposes a comprehensive set of standards aimed at achieving the objectives of the CSRD proposal, with the exception of the standards to be included in Set 2.

Acknowledging the fact that the proposed vision of a comprehensive sustainability reporting might be challenging to implement in year one for the new preparers and potentially to some of the large preparers as well, EFRAG will consider using some prioritisation / phasing-in levers to smoothen out the implementation of the first set of standards.

The following questions aim at informing EFRAG's and ultimately the European Commission's decision as to what disclosure requirements should be considered for phasing-in, based on implementation feasibility / challenges and potentially other criteria, and over what period of time their implementation should be phased-in.

Q54: for which one of the current ESRS disclosure requirements (see Appendix I) do you think implementation feasibility will prove challenging? and why?

Given the critical importance of implementation prioritisation / phasing-in, please justify and illustrate your response

Q55: over what period of time would you think the implementation of such “challenging” disclosure requirements should be phased-in? and why?

Given the critical importance of implementation prioritisation / phasing-in, please justify and illustrate your response

Q56: beyond feasibility of implementation, what other criteria for implementation prioritisation / phasing-in would recommend being considered? And why?

Given the critical importance of implementation prioritisation / phasing-in, please justify and illustrate your response

Q57: please share any other comments you might have regarding ESRS implementation prioritisation / phasing-in

Proposing to postpone the digital reporting requirement to start at least one year after the first year of implementation. It is already difficult enough to comply with all the reporting standards in one go, the digital reporting requirement would add further complexity and may cause delay in issuing the financial statements.

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

6cd9221e-4d0d-487e-9f92-75c772a4ed7e/Eurelectric_s_key_messages_on_EFRAG_ESRS_final_report.pdf

[Contact Form](#)

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability



Union of the Electricity Industry - Eurelectric aisbl
Boulevard de l'Impératrice, 66 – bte 2 - 1000 Brussels, Belgium
Tel: + 32 2 515 10 00 - VAT: BE 0462 679 112 • www.eurelectric.org
EU Transparency Register number: [4271427696-87](https://ec.europa.eu/transparency/regexp1/index.cfm?do=entity.entity_details&entity_id=4271427696-87)